



## Localism Bill: major infrastructure projects Impact assessment



Localism Bill: major infrastructure projects

**Impact assessment**

Department for Communities and Local Government  
Eland House  
Bressenden Place  
London  
SW1E 5DU  
Telephone: 030 3444 0000  
Website: [www.communities.gov.uk](http://www.communities.gov.uk)

© Crown Copyright, 2011

*Copyright in the typographical arrangement rests with the Crown.*

*This publication, excluding logos, may be reproduced free of charge in any format or medium for research, private study or for internal circulation within an organisation. This is subject to it being reproduced accurately and not used in a misleading context. The material must be acknowledged as Crown copyright and the title of the publication specified.*

You may re-use this information (not including logos) free of charge in any format or medium, under the terms of the Open Government Licence. To view this licence, visit <http://www.nationalarchives.gov.uk/doc/open-government-licence/> or write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or e-mail: [psi@nationalarchives.gsi.gov.uk](mailto:psi@nationalarchives.gsi.gov.uk).

If you require this publication in an alternative format please email [alternativeformats@communities.gsi.gov.uk](mailto:alternativeformats@communities.gsi.gov.uk)

DCLG Publications  
Tel: 030 0123 1124  
Fax: 030 0123 1125

Email: [product@communities.gsi.gov.uk](mailto:product@communities.gsi.gov.uk)  
Online via the website: [www.communities.gov.uk](http://www.communities.gov.uk)

January 2011

ISBN: 978 1 4098 2754 2

<b>Title:</b> Localism Bill: major infrastructure projects <b>Lead department or agency:</b> Department for Communities and Local Government <b>Other departments or agencies:</b> Department for Energy and Climate Change Department for Transport Department for Environment, Food and Rural Affairs	<b>Impact Assessment (IA)</b>
	<b>IA No:</b> DCLG 0056
	<b>Date:</b> January 2011
	<b>Stage:</b> Final
	<b>Source of intervention:</b> Domestic
	<b>Type of measure:</b> Primary legislation
	<b>Contact for enquiries:</b> Cathal Rock 0303 444 41620

## Summary: Intervention and Options

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

Infrastructure investment is vital to the UK economy and jobs. It is the backbone of our economy and its proper maintenance and renewal is critical for growth. The Government has made clear its commitment to new infrastructure in its recent spending review. On transport infrastructure over the next four years it will invest over £30bn in transport projects and significant further private sector investment in major infrastructure is also expected.

Currently, decisions on applications for major infrastructure projects are in the hands of the Infrastructure Planning Commission - an unelected and unaccountable quango. The Government believes that the current planning system needs to be more democratic, transparent and accountable if it is to more effectively facilitate sustainable development. Because it is undemocratic in nature, the Government intends to abolish the Infrastructure Planning Commission. A new Major Infrastructure Planning Unit will be created within the Planning Inspectorate to take over its functions of examining applications for major infrastructure projects and making recommendations to ministers. The decision-making function will transfer to ministers.

**What are the policy objectives and the intended effects?**

To make the regime of major infrastructure projects more democratically accountable, by:

- Abolishing the Infrastructure Planning Commission and establishing a Major Infrastructure Planning Unit within the Planning Inspectorate. The Major Infrastructure Planning Unit will examine applications for major infrastructure projects and make recommendations to Ministers, who will take decisions.

**What policy options have been considered? Please justify preferred option (further details in Evidence Base)**

**Options include :**

**1: Do nothing – keep the Infrastructure Planning Commission**

To do nothing would be contrary to stated manifesto commitments of both coalition partners, and contrary to the Government's policy as set out in the Coalition Agreement. It would leave these critically important decisions, which are vital to the UK economy in the hands of an unelected and unaccountable quango.

**2: Repeal the Parts 1-8 of the Planning Act 2008 (which provide for a fast-track regime for consenting major infrastructure projects)**

This would effect a return to the pre-Planning Act 2008 regimes where planning applications for major infrastructure often required multiple applications under various consent regimes. This would remove the fast-track process which the Coalition Agreement recognises is essential for delivering the infrastructure which underpins the UK economy and which is critical for growth.

**3: (Preferred Option) Preserve the current fast track process for major infrastructure planning applications but amend in accordance with Government policy as follows:**

- To abolish the Infrastructure Planning Commission.
- To set up a Major Infrastructure Planning Unit within the Planning Inspectorate to take over its functions.
- For the new Major Infrastructure Planning Unit to examine applications for major infrastructure projects and make recommendations to ministers.
- For Ministers to take final decisions on applications following recommendations from the Major Infrastructure Planning Unit.
- To preserve the current fast-track process for handling applications, with some minor modifications to make it more efficient and reflect the fact ministers are now the decision takers.
- To retain decision making in accordance with National Policy Statements which will in future be both scrutinised and approved by Parliament.

<b>When will the policy be reviewed to establish its impact and the extent to which the policy objectives have been achieved?</b>	It will be reviewed 04/2014
<b>Are there arrangements in place that will allow a systematic collection of monitoring information for future policy review?</b>	Yes

**SELECT SIGNATORY Sign-off for** final proposal 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: Greg Clark..... Date: January 2011 .....

# Summary: Analysis and Evidence

# Policy Option 1

**Description: Option 3: (preferred option) preserve the current fast track process for major infrastructure planning applications but amend in accordance with Government policy as (i.e. abolish the Infrastructure Planning Commission and establish a Major Infrastructure Planning Unit within Planning Inspectorate).**

Price Base Year 2010	Present Value Base Year 2011	Time Period Years 10	Net Benefit (Present Value (PV)) (£m)		
			Low:	High:	Best Estimate: £36.2m

COSTS (£m)	Total (Constant Price)	Transition Years	Average (excl. Transition)	Annual (Constant Price)	Total (Present Value)	Cost
Low						
High						
Best Estimate	£0.815m		n/a		£0.815m	

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

Transition costs: £815,000. (Breakdown provided on page 9).

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

BENEFITS (£m)	Total (Constant Price)	Transition Years	Average (excl. Transition)	Annual (Constant Price)	Total (Present Value)	Benefit
Low						
High						
Best Estimate	0		£4.3m		£37m	

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

Reduced operational cost of Major Infrastructure Planning Unit as compared to the IPC: £33.56m (present value over 10 years)  
Savings to applicants from changes to sections 35 (£710,000) and 42 (£2.7m) of the Planning Act 2008.

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

Greater democratic legitimacy and accountability in decision making is likely to empower local people and give them a greater sense that they have the ability to influence the decision making process. This in turn is likely to reduce objections and appeals against development and promote greater acceptance of decisions that are made.

Parliamentary scrutiny and approval will give National Policy Statements greater legitimacy and provide increased certainty of the policy for major infrastructure projects. This is expected to reduce both the likelihood of legal challenge to National Policy Statements, and of any legal challenge being successful. This may in turn deliver minor savings in legal costs.  
Improvements to some of the processes underpinning the regime make the system easier to comply with and more flexible for all users.

<b>Key assumptions/sensitivities/risks</b>	<b>Discount rate (%)</b>	3.5
<p>An estimate has been made of the numbers of projects likely to be applied for under the Act based on the best available evidence, but it is recognised that the actual number, and the workload at any given time, may vary. Establishing the Major Infrastructure Planning Unit within the Planning Inspectorate will allow for some efficiencies to be made. The full staff complement originally envisaged for the Infrastructure Planning Commission will not be required. In particular, the Major Infrastructure Planning Unit will not need a full time executive chair, deputy chairs, or a dedicated Chief Executive. Some efficiencies in the number of support staff should also be possible through development of shared services. The details of the transfer, the precise staffing requirements of the Major Infrastructure Planning Unit, and the detailed terms and conditions will be decided in due course.</p>		

<b>Impact on admin burden (AB) (£m):</b>		<b>Impact on policy cost savings (£m):</b>	<b>In scope</b>
<b>New AB:</b>	<b>AB savings:</b>	<b>Policy cost savings:</b>	<b>No</b>
	<b>Net: 0</b>		

## Enforcement, Implementation and Wider Impacts

What is the geographic coverage of the policy/option?	England and Wales				
From what date will the policy be implemented?	06/04/2012				
Which organisation(s) will enforce the policy?	The Major Infrastructure Planning Unit, within the Planning Inspectorate.				
What is the annual change in enforcement cost (£m)?	0				
Does enforcement comply with Hampton principles?	Yes				
Does implementation go beyond minimum EU requirements?	No				
What is the CO <sub>2</sub> equivalent change in greenhouse gas emissions? (Million tonnes CO <sub>2</sub> equivalent)	<b>Traded:</b>		<b>Non-traded:</b>		
	0		0		
Does the proposal have an impact on competition?	No				
What proportion (%) of Total Present Value costs/benefits is directly attributable to primary legislation, if applicable?	<b>Costs:</b>		<b>Benefits:</b>		
	0		0		
Annual cost (£m) per organisation (excl. Transition) (Constant Price)	<b>Micro</b>	<b>&lt; 20</b>	<b>Small</b>	<b>Medium</b>	<b>Large</b>
	0	0	0	0	0
Are any of these organisations exempt?	No	No	No	No	No

## Specific Impact Tests: Checklist

Set out in the table below where information on any Specific Impact Tests undertaken as part of the analysis of the policy options can be found in the evidence base. For guidance on how to complete each test, double-click on the link for the guidance provided by the relevant department.

Please note this checklist is not intended to list each and every statutory consideration that departments should take into account when deciding which policy option to follow. It is the responsibility of departments to make sure that their duties are complied with.

Does your policy option/proposal have an impact on...?	Impact	Page ref within Impact Assessment
<b>Statutory equality duties<sup>1</sup></b> <a href="#">Statutory Equality Duties Impact Test guidance</a>	No	13
<b>Economic impacts</b>		
Competition <a href="#">Competition Assessment Impact Test guidance</a>	No	13
Small firms <a href="#">Small Firms Impact Test guidance</a>	No	13
<b>Environmental impacts</b>		
Greenhouse gas assessment	No	13
Wider environmental issues	No	13
<b>Social impacts</b>		
Health and well-being <a href="#">Health and Well-being Impact Test guidance</a>	No	13
Human rights <a href="#">Human Rights Impact Test guidance</a>	No	13
Justice system <a href="#">Justice Impact Test guidance</a>	No	13
Rural proofing <a href="#">Rural Proofing Impact Test guidance</a>	No	13
<b>Sustainable development</b> <a href="#">Sustainable Development Impact Test guidance</a>	No	13

<sup>1</sup> Public bodies including Whitehall departments are required to consider the impact of their policies and measures on race, disability and gender. It is intended to extend this consideration requirement under the Equality Act 2010 to cover age, sexual orientation, religion or belief and gender reassignment from April 2011 (to Great Britain only). The Toolkit provides advice on statutory equality duties for public authorities with a remit in Northern Ireland.



## Evidence Base (for summary sheets) – Notes

### References

Include the links to relevant legislation and publications, such as public impact assessment of earlier stages (e.g. Consultation, Final, Enactment).

No.	Legislation or publication
1	Planning Bill Impact Assessment (27 November 2007) <a href="http://www.communities.gov.uk/publications/planningandbuilding/planningbill">http://www.communities.gov.uk/publications/planningandbuilding/planningbill</a>
2	Annex to the Planning Bill Impact Assessment – Royal Assent (26 January 2009) <a href="http://www.communities.gov.uk/publications/planningandbuilding/anneximpactassessment">http://www.communities.gov.uk/publications/planningandbuilding/anneximpactassessment</a>
3	<i>The Coalition: our programme for government</i> (May 2010) (p.11) <a href="http://www.cabinetoffice.gov.uk/media/409088/pfg_coalition.pdf">http://www.cabinetoffice.gov.uk/media/409088/pfg_coalition.pdf</a>

+ Add another row

### Evidence Base

Ensure that the information in this section provides clear evidence of the information provided in the summary pages of this form (recommended maximum of 30 pages). Complete the **Annual profile of monetised costs and benefits** (transition and recurring) below over the life of the preferred policy (use the spreadsheet attached if the period is longer than 10 years).

The spreadsheet also contains an emission changes table that you will need to fill in if your measure has an impact on greenhouse gas emissions.

#### Annual profile of monetised costs and benefits\* - (£m) constant prices

	Y <sub>0</sub>	Y <sub>1</sub>	Y <sub>2</sub>	Y <sub>3</sub>	Y <sub>4</sub>	Y <sub>5</sub>	Y <sub>6</sub>	Y <sub>7</sub>	Y <sub>8</sub>	Y <sub>9</sub>
<b>Transition costs</b>	0	0.0	0.0	0.0	0.0	0	0	0	0	0.0
<b>Annual recurring cost</b>	0.0	0.0	0.0	0.0	0.0	0	0	0	0	0.0
<b>Total annual costs</b>	0.815	0.0	0.0	0.0	0.0	0	0	0	0	0.0
<b>Transition benefits</b>	0.0	0.0	0.0	0.0	0.0	0	0	0	0	0.0
<b>Annual recurring benefits</b>	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3
<b>Total annual benefits</b>	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3

\* For non-monetised benefits please see summary pages and main evidence base section



Microsoft Office  
Excel Worksheet

## Evidence Base (for summary sheets)

### Problem under consideration

1. Infrastructure investment is vital to the UK economy and jobs. It is the backbone of our economy and its proper maintenance and renewal is critical for growth. Without new infrastructure networks we risk the economic recovery of the nation.
2. The Government has made clear its commitment to new infrastructure in its recent spending review. On transport infrastructure over the next four years it will invest over £30bn in transport projects, more than was invested during the past four years. The Government has also published its National Infrastructure Plan which sets out, for the first time, a broad vision of the infrastructure investment required to underpin the UK's growth.
3. The delivery of major infrastructure which is effective, timely and high value for money requires a rapid, predictable and democratic planning system. Improving the planning regime for major infrastructure is therefore an important element of our overall approach, to ensure that we can put in place much needed new infrastructure.
4. The Planning Act 2008 established a fast-track regime for making decisions on applications for development consent for major infrastructure projects. The impact assessment produced at the time estimated an annual benefit to business and the economy of the more speedy approval of major infrastructure projects of £300m.
5. The Act provided for the establishment of the Infrastructure Planning Commission to take decisions on major infrastructure projects. However, the system established by the Planning Act 2008 leaves decision making in the hands of an unelected and undemocratic quango. The Government believes that modern energy and transport infrastructure is vital to our nation – it is the backbone of the UK economy and critical for growth – but so is democracy, which is why we must have a rapid, predictable and democratic planning system to deliver it. In *The Coalition: our programme for government*<sup>2</sup>, the Government announced its intention to abolish the Infrastructure Planning Commission, and replace it with an efficient and democratically accountable system that provides a fast-track process for major infrastructure projects, with decisions on applications taken by ministers.
6. The Infrastructure Planning Commission will therefore be replaced with a new Major Infrastructure Planning Unit, within the Planning Inspectorate. The new unit will continue to fast-track applications for consent for major infrastructure projects, with ministers taking decisions on them on the basis of recommendations made by the unit. Decisions will be taken in accordance with the statutory timetable for decision-making set out in the Planning Act 2008.
7. The Planning Act 2008 also provided for ministers to designate National Policy Statements setting out Government's policy in relation to each specific type of infrastructure, including the strategic need for infrastructure, with decisions on applications for major infrastructure projects taken in accordance with them. The Government believes these critically important documents must have the strongest possible democratic legitimacy. It has therefore made a commitment that they will be scrutinised and approved by Parliament before they can be designated. This will ensure that, as far as is possible, National Policy Statements are agreed across party lines and have the backing of the democratic process. This is important, as the Government believes that National Policy Statements run a high risk of legal challenge once designated. The Government will legislate for this through the Localism Bill.

---

<sup>2</sup> *The Coalition: our programme for Government* (p.11)  
[http://www.cabinetoffice.gov.uk/media/409088/pfg\\_coalition.pdf](http://www.cabinetoffice.gov.uk/media/409088/pfg_coalition.pdf)

8. An impact assessment was published alongside the Planning Bill when it was introduced to Parliament on 27 November 2007. A short Annex to the impact assessment was published on 26 January 2009, following Royal Assent. This Annex provided an update to the Impact Assessment in respect of a number of changes in policy which took place during the passage of the Bill through Parliament. These documents can be found at:

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

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

9. Provisions in the Localism Bill will amend or repeal (as necessary) the relevant provisions in the Planning Act 2008 to effect these changes. It should be emphasised that the changes the Government intends to make to the regime are mainly concerned with strengthening its democratic accountability, rather than reforming the regime per se. The Planning Bill Impact Assessment and the Annex to it assessed the impact of establishing the Planning Act regime, and provide the baseline evidence which underpins the assumptions made here. These documents should be read in conjunction with this impact assessment.

### **Rationale for intervention**

10. The proposed changes to the major infrastructure planning regime implement manifesto commitments by both coalition partners, confirmed in the coalition agreement.
11. The Government believes that decisions on major infrastructure projects should not be taken by an undemocratic and unelected quango. It announced, in a Written Statement on 29 June 2010, that it would make a number of changes to the major infrastructure planning regime, returning decision-making to democratically elected ministers, and ensuring that National Policy Statements are scrutinised and approved by Parliament to ensure the strongest possible democratic accountability.
12. These changes serve to increase the democratic legitimacy of the regime and the decisions made under it, bringing about benefits in both the public acceptability of the regime itself and in reducing the likelihood of legal challenge.

### **Option 1 - Do Nothing – keep the Infrastructure Planning Commission**

#### **CONTINUING WITH THE INFRASTRUCTURE PLANNING COMMISSION REGIME**

13. Allowing the Infrastructure Planning Commission to continue to operate would mean that decisions on major infrastructure projects would be continue to be made without the increased democratic accountability which the Government believes is essential to the process. Decisions would be taken in accordance with National Policy Statements which would lack the increased legitimacy and strength that will come from scrutiny and approval by Parliament. Decision making by an unelected and undemocratic quango could lead to increased community alienation, more objections from local communities and a lack of buy-in to the decisions made under the regime. All this would be likely to prolong the process of putting in place major infrastructure which is vital to the UK economy.

#### **RUNNING THE INFRASTRUCTURE PLANNING COMMISSION**

14. The annual running cost for the Infrastructure Planning Commission is estimated to be £9.8m p.a. This figure may be broken down as £7.3m for annual salary costs (see below), £1m for ongoing accommodation costs (including rents, bills, IT, furniture, repairs and maintenance), and £1.5m for miscellaneous costs (including travel and subsistence, auditing and all other non-staff and accommodation costs).

15. The estimated cost of the staffing requirement of the body breaks down as follows, as taken from the original impact assessment for Planning Bill:

<b>Salary (including employer National Insurance contributions)</b>			
<b>Position</b>	<b>Number</b>		<b>Total</b>
Chief Executive	1	£135,048	£140k
Chair	1	£153,874	£150k
Deputy Chair	3	£129,058	£390k
Commissioner	30	£111,010	£3.3m
Total	35		£4m

<b>Grade and Average Salary at each grade (including employer National Insurance and superannuation contribution)</b>			
<b>Position</b>	<b>Number</b>		<b>Total</b>
Secretariat	75	5 AA (each earning £19690 per annum), 35 EO (£31,010), 7 SEO (£43,686), 10 HEO (£36,389), 14 Grade 7 (£57,604) and 4 Grade 5 (£97,687)	£3.1m

16. For the purposes of the current impact assessment, the secretariat staff costs have been updated to reflect current pay rates (this has the effect of increasing baseline costs from £7.1m to £7.3m).

**Option 2 - Repeal Parts 1-8 of the Planning Act 2008 (those parts of the Act which provide for a fast-track regime for consenting major infrastructure projects)**

17. Under this option the parts of the Planning Act 2008 dealing with major infrastructure would be repealed. This would remove the fast-track process for consenting major infrastructure projects. The Government believes that this fast track process is essential for economic growth, and for protecting security of supply of energy and water. The Planning Bill Impact Assessment estimated that the fast-track process would deliver annual benefits of £300m and total benefits (Present Value) of £4,000 to £5,000m. The Coalition Agreement recognises the benefits that a fast-track system will bring, subject to the overriding need to ensure that democratic accountability is introduced into the process by returning decision making to Ministers.

**Option 3 (Preferred Option) - Preserve the current fast track process for major infrastructure planning applications but amend in accordance with Government policy as follows:**

**ABOLITION OF THE INFRASTRUCTURE PLANNING COMMISSION**

18. The Localism Bill provides for the abolition of the Infrastructure Planning Commission, which will cease to exist once the legislation is commenced. This will remove an unelected and undemocratic quango.

**ESTABLISHMENT OF A NEW MAJOR INFRASTRUCTURE PLANNING UNIT, WITHIN THE PLANNING INSPECTORATE**

19. The Government has announced that, in order restore democratic accountability to the planning process for major infrastructure projects, a new Major Infrastructure Planning Unit will be established within the Planning Inspectorate. It will take over the functions of the

Infrastructure Planning Commission up to the point of decision making. These functions include:

- advising developers considering making an application for development consent for a major infrastructure project
- making decisions on the acceptance of applications
- handling the examination of applications
- Making recommendations to ministers as to what the decision should be

## **CHANGES TO THE DECISION MAKING PROCESS FOR MAJOR INFRASTRUCTURE APPLICATIONS**

20. The Localism Bill transfers the functions of the Infrastructure Planning Commission under the Planning Act 2008 to the Secretary of State. In practice a Major Infrastructure Planning Unit will be established within the Planning Inspectorate to deal with applications up to the point of decision. The Unit will then make a recommendation to ministers, who will take the decision. This will return democratic accountability to the process for making decisions on major infrastructure projects.
21. The Government has said it will retain decision making in accordance with National Policy Statements. The Government's Written Statement of 29 June 2010 included a commitment that the Government will bring forward National Policy Statements for scrutiny and approval by Parliament. This will give elected representatives an important say, injecting further democratic accountability into the process of deciding on new major infrastructure.

### **OTHER CHANGES**

#### ***Power of the Secretary of State to make directions in relation to major infrastructure projects of national significance set out in s35 of the Planning Act 2008***

22. The Localism Bill includes provision to amend the power set out in s35 of the Planning Act 2008 so that a direction can be made before an application is made for consent under another consent regime. This will reduce the cost and work burdens on promoters who may currently need to make two separate applications for development consent and pay two sets of application fees.

#### ***Requirements under s47 of the Planning Act 2008 requiring promoters to publish the Statement of Community Consultation in the local newspaper***

23. The Localism Bill includes provision to amend the requirements of s47 of the Planning Act 2008 so that a promoter is only required to publish a notice in the local newspaper setting out where the Statement of Community Consultation can be viewed. This will save promoters the cost incurred in publishing the larger Statement of Community Consultation.

## **Impacts of Option 3**

### **BACKGROUND**

24. Under this option, all decisions under the Planning Act will be made by Government ministers rather than the Infrastructure Planning Commission. Currently, the Infrastructure Planning Commission examines applications, and is the decision-maker where a relevant National Policy Statement is designated. If no relevant National Policy Statement has been designated, the Infrastructure Planning Commission must make a recommendation to ministers, who will take the decision. Once the amending legislation is commenced, the Major Infrastructure Planning Unit will undertake the examination and recommending functions currently carried out by the Infrastructure Planning Commission. The decision-making function transfers fully to ministers.

### **ESTABLISHING THE MAJOR INFRASTRUCTURE PLANNING UNIT**

25. The cost of setting up the Major Infrastructure Planning Unit has been estimated at £815,000. This figure takes into account the possible costs of pension crystallisation (paying off any pension deficits calculated actuarially at the point where employees exit the pension scheme); possible compensation arrangements attached to any loss of senior staff positions resulting from transferring existing Infrastructure Planning Commission functions into the Major Infrastructure Planning Unit; staff costs within the Department of Communities and Local Government and the Infrastructure Planning Commission of managing the transition process; and other more minor administrative costs.

### **STAFFING COSTS**

26. Establishing the Major Infrastructure Planning Unit within the Planning Inspectorate will allow for some efficiencies to be made. The full staff complement originally envisaged for the Infrastructure Planning Commission will not be required. In particular, the Major Infrastructure Planning Unit will not need a full time executive chair, deputy chairs, or a dedicated Chief Executive. Some efficiencies in the number of support staff will also be possible through the development of shared services.

#### **ACCOMMODATION COSTS**

27. The Major Infrastructure Planning Unit will use the existing accommodation currently occupied by the Infrastructure Planning Commission. It will use the current Infrastructure Planning Commission and Planning Inspectorate facilities in terms of telephony, IT, security etc. This means no change in accommodation costs arising from changes introduced in the Localism Bill.

#### **OTHER OPERATIONAL COSTS**

28. It is anticipated that travel and subsistence costs will be incurred at a similar rate to those of the Infrastructure Planning Commission. Day to day costs for stationery etc will continue at the same level. We expect that there will be economies arising from the Major Infrastructure Planning Unit operating within the Planning Inspectorate.

#### **DISCOUNTED STAFF SAVINGS**

29. Taking into account the staffing savings arising from the move to the Major Infrastructure Planning Unit, the table below shows the discounted staff cost saving over ten years (excluding transitional costs):

<b>Option 1 - Infrastructure Planning Commission</b>			<b>Option 3 – Major Infrastructure Planning Unit</b>		
Annual cost	Total 10 year cost (undiscounted)	Total 10 year cost (discounted)	Annual cost	Total 10 year cost (undiscounted)	Total 10 year cost (discounted)
£7.3m	£73m	£63m	£3.3m	£33.2m	£28.6m

Which gives the following staff savings:

- Average annual: £4m (£7.3m - £3.3m)
- Total over 10 years (undiscounted): £39.8m (£73m - £33.2m)
- Total over 10 years (discounted): £34.4m (£63m - £28.6m)

And netting off the transitional costs gives an overall net saving (discounted) over 10 years of £33.56m (£34.4m - £0.815m).

#### **Other impacts**

#### **NATIONAL POLICY STATEMENT SCRUTINY AND APPROVAL BY PARLIAMENT**

30. We anticipate that Parliamentary scrutiny and approval of National Policy Statements will give them added robustness. This will in turn reduce the risk of judicial review of National Policy Statements being brought and the chance of such action being successful.

31. The increase in democratic legitimacy arising from the approval of National Policy Statements will also result in greater acceptance of the policy for major infrastructure. This in turn will maximise the opportunity to achieve decisions which have community acceptance and support, and better enable examinations to focus on the issues and impacts of the application without having to address issues of policy.

#### **CHANGES TO S35 OF THE PLANNING ACT 2008**

32. We anticipate benefits for promoters to arise from removing the requirement for a promoter to make an application under another consent regime before the Secretary of State can make a direction under section 35. There will be time, effort and cost savings to promoters arising from this change, which we estimate will bring about benefits of £720,000 (£710,000 discounted) over ten years. This is based on a saving of 25 per cent compared to the cost estimated in the Planning Bill Impact Assessment for applicants in preparing major applications under the previous regime (£1.5m). For illustration we have assumed two cases coming forward over the ten year period.

#### **CHANGES TO S47 OF THE PLANNING ACT 2008**

33. Benefits to promoters will also arise through an amendment to section 47 of the Planning Act, which currently requires promoters of major infrastructure projects to publish a full Statement of Community Consultation in a local newspaper.

34. The Localism Bill will remove this requirement and replace it with a requirement to publish in the local newspaper a notice telling people where they can inspect a copy of the Statement of Community Consultation. It is assumed that a full page advertisement would be required to publish a Statement in full, and that a quarter of a page would be necessary to meet the new requirement. The cost for a full page advertisement, including VAT is assumed to be £8,064 per page (336 single column centimetres per page at a cost of £24 (inc. VAT) per single column centimetre). Over a 10 year period we estimate this would deliver savings of £2.7m to promoters.

#### **Risks and assumptions**

35. An estimate has been made of the numbers of projects likely to be applied for under the Act based on the best available evidence, but it is recognised that the actual number, and the workload at any given time, may vary.

36. This impact assessment makes assumptions about efficiencies arising from the transfer of staff from the Infrastructure Planning Commission to the Major Infrastructure Planning Unit. However, the details of the transfer, the precise staffing requirements of the Major Infrastructure Planning Unit, and the detailed terms and conditions will be agreed by ministers in due course.

#### **Administrative burden**

37. We estimate that the changes proposed in the Localism Bill will not affect the costs to promoters of submitting an application for development consent for a major infrastructure project.

#### **New burdens assessment**

38. There are no new burdens on local authorities.

#### **Specific impact tests**

#### **STATUTORY EQUALITY DUTIES**

39. An Equalities Impact Assessment has been prepared alongside this document which concludes that the policy does not have any adverse impacts.

#### **ECONOMIC IMPACTS**

##### ***Competition***

40. We do not anticipate the policy having any adverse impacts upon competition.

##### ***Small firms***

41. We do not anticipate the policy having any adverse impacts upon small firms.

#### **ENVIRONMENTAL IMPACTS**



42. We do not anticipate the policy having any adverse environmental impacts.

## **SOCIAL IMPACTS**

### ***Health and well-being***

43. We do not anticipate the policy having any adverse impacts on health and well-being.

### ***Human rights***

44. We do not anticipate the policy having any adverse impacts on human rights.

### ***Justice system***

45. We do not anticipate the policy having any adverse impacts on the justice system.

### ***Rural proofing***

46. We do not anticipate the policy having any adverse impacts on rural areas.

## **SUSTAINABLE DEVELOPMENT**

47. We do not anticipate the policy having any adverse impacts on sustainable development.

## Annexes

Annex 1 should be used to set out the Post Implementation Review Plan as detailed below. Further annexes may be added where the Specific Impact Tests yield information relevant to an overall understanding of policy options.

### Annex 1: Post Implementation Review (PIR) Plan

A PIR should be undertaken, usually three to five years after implementation of the policy, but exceptionally a longer period may be more appropriate. A PIR should examine the extent to which the implemented regulations have achieved their objectives, assess their costs and benefits and identify whether they are having any unintended consequences. Please set out the PIR Plan as detailed below. If there is no plan to do a PIR please provide reasons below.

<p><b>Basis of the review:</b> [The basis of the review could be statutory (forming part of the legislation), it could be to review existing policy or there could be a political commitment to review];</p> <p>There may be a case for carrying out a review 2-3 years after functions have been transferred to Ministers.</p>
<p><b>Review objective:</b> [Is it intended as a proportionate check that regulation is operating as expected to tackle the problem of concern?; or as a wider exploration of the policy approach taken?; or as a link from policy objective to outcome?]</p> <p>To assess whether the regime is operating as expected: to determine whether decisions are being made according to statutory timescales; whether investors are confident in the new regime; that the legislation is operating as intended.</p>
<p><b>Review approach and rationale:</b> [e.g. describe here the review approach (in-depth evaluation, scope review of monitoring data, scan of views of external partners, etc.) and the rationale that made choosing such an approach]</p> <p>Review of monitoring data, and considering partner views.</p> <p>Over the coming months, further details of any proposed research and analysis will be considered by a Localism Bill review steering group, to ensure that the methods are appropriate, proportionate, and cross-cutting where possible, so that we collect only essential information/data at both the baseline and follow-up review stages.</p>
<p><b>Baseline:</b> [The current (baseline) position against which the change introduced by the legislation can be measured]</p> <p>The changes will be measured against a baseline of what would have happened under the pre-Planning Act 2008 regime.</p>
<p><b>Success criteria:</b> [Criteria showing achievement of the policy objectives as set out in the final impact assessment; criteria for modifying or replacing the policy if it does not achieve its objectives]</p> <p>Reductions in time taken for decisions to be made, including in accordance with statutory timescales.</p>
<p><b>Monitoring information arrangements:</b> [Provide further details of the planned/existing arrangements in place that will allow a systematic collection of monitoring information for future policy review]</p> <p>Monitoring is a function of the sponsorship team currently operating within DCLG.</p>
<p><b>Reasons for not planning a PIR:</b> [If there is no plan to do a PIR please provide reasons here]</p>

Add annexes here.