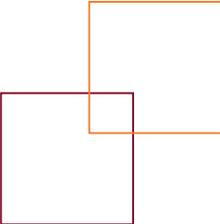


Hazardous Waste National Policy Statement

Annex 2



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Hazardous Waste National Policy Statement

Hazardous Waste National Policy Statement

Title: Hazardous Waste National Policy Statement Lead department or agency: Department for Environment, Food and Rural Affairs Other departments or agencies:	Impact Assessment (IA)
	IA No: Defra 1336
	Date: 14/07/2011
	Stage: Consultation
	Source of intervention: Domestic
	Type of measure: Secondary legislation
	Contact for enquiries: Olu Ogunbadejo 0207 238 4335 hiwu@defra.gsi.gov.uk

Summary: Intervention and Options

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

The planning system for Nationally Significant Infrastructure Projects (NSIPs) is complex and has caused delays in the delivery of NSIPs. These inefficiencies were addressed through the Planning Act 2008 which put in place a simplified and more transparent planning system for NSIPs. Securing the predicted benefits of £300m per annum from more efficient delivery of NSIPs requires the government to publish National Policy Statements (NPS) for key infrastructure areas. The HWNPS sets the policy framework under which future decisions on hazardous waste planning applications will be made. Designation of the HWNPS is necessary in order for the Major Infrastructure Planning Unit (MIPU) to be able to take decisions on applications for nationally significant hazardous waste infrastructure

What are the policy objectives and the intended effects?

To fully implement the Planning Act 2008 which will improve the administrative burden of the planning process and increase the speed of delivery of NSIPs. The HWNPS will contribute to the full delivery of the benefits from the Planning Act 2008.

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

(1) Do not develop a HWNPS: this is the baseline for this analysis, therefore there are no associated costs or benefits other than fees currently incurred under the current infrastructure planning regime.

(2) Develop a HWNPS: this is the preferred option as it will meet the policy objectives set out in the Planning Act 2008.

Will the policy be reviewed? It will be reviewed. **If applicable, set review date:** 10/2016

What is the basis for this review? PIR. **If applicable, set sunset clause date:** Month/Year

Are there arrangements in place that will allow a systematic collection of monitoring information for future policy review?

Not applicable

SELECT SIGNATORY Sign-off For consultation stage Impact Assessments:

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 SELECT SIGNATORY: _____ Date: _____

Summary: Analysis and Evidence

Policy Option 1

Description:

Price Base Year 2011	PV Base Year 2011	Time Period Years 10	Net Benefit (Present Value (PV)) (£m)		
			Low: 0	High: £4.7m	Best Estimate: £1.0m

COSTS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	0	0	0
High	0	£0.8m	£6.6m
Best Estimate	0	£0.4m	£3.8m

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

Costs to hazardous waste promoters of increased fees is an average of £446,000 and up to £779,000 per year. These estimates are derived from the Planning Act Impact Assessment and assume implementation in October 2011.

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

There are no known non-monetised costs.

BENEFITS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	0	0	0
High	0	£1.3m	£11.3m
Best Estimate	0	£0.6m	£4.8m

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

Administrative savings for hazardous waste scheme promoters is estimated £1.3m per year (£0-£3m range). The Planning Bill Impact Assessment assumed that administrative savings of up to £200,000 per project would be made by hazardous waste scheme promoters. It is assumed that an average of 3 and up to 7 applications are submitted by hazardous waste scheme promoters.

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

Benefits are related to the overall impact of changes to the planning regime. A more efficient planning system with reduced uncertainty in the application process should lead to reduced barriers to hazardous waste infrastructure development and operation.

Key assumptions/sensitivities/risks

Discount rate (%)

N/A

The number of applications to be brought to the IPC is assumed to be in the range of 0 to 7 per year, and an average of 3 is estimated for the best case. The number of applications may be higher or lower than these numbers. It is assumed that applicants pay an average of £40,000 per project in the baseline. This estimate is taken from the Planning Bill IA and may be updated following consultation.

In attributing the benefits of the Planning Bill 2008 that are assumed to be related to Hazardous Waste, the average savings are assumed to be £450,000 per application per year. Costs are based on assumptions regarding type of application process. Actual costs may differ depending on type of application.

Direct impact on business (Equivalent Annual) £m):			In scope of OIOO?	Measure qualifies as
Costs: £0.5m	Benefits: £0.6m	Net: £0.1m	Yes	OUT

Enforcement, Implementation and Wider Impacts

What is the geographic coverage of the policy/option?		England			
From what date will the policy be implemented?		01/10/2011			
Which organisation(s) will enforce the policy?		CLG/Defra/EA.			
What is the annual change in enforcement cost (£m)?		N/A			
Does enforcement comply with Hampton principles?		Yes			
Does implementation go beyond minimum EU requirements?		No			
What is the CO ₂ equivalent change in greenhouse gas emissions? (Million tonnes CO ₂ equivalent)		Traded: N/A		Non-traded: N/A	
Does the proposal have an impact on competition?		No			
What proportion (%) of Total PV costs/benefits is directly attributable to primary legislation, if applicable?		Costs: N/A		Benefits: N/A	
Distribution of annual cost (%) by organisation size (excl. Transition) (Constant Price)	Micro	< 20	Small	Medium	Large
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 SITs 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 IA
Statutory equality duties¹ <i>Statutory Equality Duties Impact Test guidance</i>	Yes	14
Economic impacts		
Competition <i>Competition Assessment Impact Test guidance</i>	Yes	13
Small firms <i>Small Firms Impact Test guidance</i>	Yes	13
Environmental impacts		
Greenhouse gas assessment <i>Greenhouse Gas Assessment Impact Test guidance</i>	No	
Wider environmental issues <i>Wider Environmental Issues Impact Test guidance</i>	Yes	14
Social impacts		
Health and well-being <i>Health and Well-being Impact Test guidance</i>	Yes	14
Human rights <i>Human Rights Impact Test guidance</i>	No	
Justice system <i>Justice Impact Test guidance</i>	No	
Rural proofing <i>Rural Proofing Impact Test guidance</i>	No	
Sustainable development <i>Sustainable Development Impact Test guidance</i>	No	

¹ 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

Use this space to set out the relevant references, evidence, analysis and detailed narrative from which you have generated your policy options or proposal. Please fill in **References** section.

References

Include the links to relevant legislation and publications, such as public impact assessments of earlier stages (e.g. Consultation, Final, Enactment) and those of the matching IN or OUTs measures.

+ Add another row

No.	Legislation or publication
1	Planning Bill Impact Assessment : (see link in Annex 2)
2	Annex to Planning Bill Impact Assessment: (see link in Annex 3)
3	Infrastructure Planning (Fees) Regulations 2010 Explanatory Memorandum and Impact Assessment (see link in Annex 4)
4	Infrastructure Planning (Fees) Regulations 2010 guidance (see link in Annex 5)
5	Assessment of Sustainability of the NPS
6	Habitats Regulatory Assessment
7	Hazardous Waste National Policy Statement
8	Consultation documents

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 ₀	Y ₁	Y ₂	Y ₃	Y ₄	Y ₅	Y ₆	Y ₇	Y ₈	Y ₉
Transition costs										
Annual recurring cost	0.2	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Total annual costs	0.2	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Transition benefits										
Annual recurring benefits	0.3	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
Total annual benefits	0.3	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6

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

Evidence Base (for summary sheets)

Problem under consideration

The Planning Bill 2008 Impact Assessment “The Act” identified problems with the current system as including:

- The overly long and complex system delays completion of projects in the national interest.
- A lack of consistency in the time taken to gain planning permission. The national need for a project is often established late in the process. By this point developers have invested a significant amount of money preparing an application for a project, and other parties have invested time in considering the project’s impacts.
- The national need for infrastructure is often debated in the context of individual projects, instead of being debated nationally.
- Necessary preparatory work on the impacts of a project is not always carried out in a timely manner. This can cause delays and nugatory work.
- The quality of project developers’ local consultation at the early stages varies. This limits the opportunity for local communities to influence the development of projects in their area.
- A number of approvals are often necessary for individual projects, which are often granted by a number of different decision makers. Completing multiple applications is time-consuming for the developer. The complexity also makes the system less accessible and limits the ability of members of the public or organisations unfamiliar with the consent regimes to understand which decision-makers are involved and over what timescales.
- Under current inquiry processes, evidence is usually probed by means of the oral cross examination of witnesses by counsel. This can be time consuming and expensive, and make it difficult to estimate how long an inquiry is likely to take, adding to the costs of participating.

These problems have a number of negative effects. The process of application for planning permission was overly complex and led to inefficiencies in the delivery of significant projects. The inefficiencies of the application process acts as a barrier to delivery of significant infrastructure by creating uncertainty and high costs in the application process. This uncertainty can deter investment and reduce the number of suitable applications for development projects. This impact can be seen through:

- Detrimental effects on the quality of life in terms of services such as effective disposal of waste.
- Reducing economic growth and prosperity, by increasing energy and transport costs, and by reducing flexibility to changing markets.

Rationale for intervention

The planning process requires intervention to reduce the inefficiencies in the current system. The Government’s programme to fundamentally reform the planning system for nationally significant infrastructure is designed to create a more efficient, transparent and accessible planning regime. The reforms will establish a clearer separation between policy-making and reaching decisions on individual applications. This will address uncertainty in the system and reduce the barriers to investment and participation in large projects. A framework with a higher degree of predictability may lead to greater investment and more timely delivery of projects requiring planning decisions. At the same time, the new regime aims to be more transparent and to facilitate participation in decision-making, strengthening the voice of communities. The Act put in place a new planning system for Nationally Significant Infrastructure Projects (NSIPs). Thresholds to determine what constitutes an NSIP are set out in the Act. The intention of the Act was that there should be an independent Infrastructure Planning Commission (IPC) responsible for deciding whether such projects should receive permission to go ahead. However, the coalition Government envisages that the IPC will no longer exist and a

successor body, the Major Infrastructure Planning Unit (MIPU), would instead advise Ministers who would then take the final decision. Nevertheless, they would still do so on the basis of the NPS and hence secure the benefits of the new planning system; avoiding unreasonable process costs and bringing forward economic benefits arising from these projects.

Thresholds for infrastructure where planning applications will be considered are set out in the Act, Article 30. For hazardous waste infrastructure, this includes:

- **Construction** of a facility in England whose main purpose is the final disposal or recovery of hazardous waste and where the facility is expected to have a capacity of more than 100,000 tonnes per year in the case of the disposal of hazardous waste by landfill or in a deep storage facility, and in any other case, more than 30,000 tonnes per year.
- **Alteration** of a hazardous waste facility in England whose main purpose is the final disposal or recovery of hazardous waste and where the capacity of the facility is expected to increase by more than 100,000 tonnes per year in the case of the disposal of hazardous waste by landfill or in a deep storage facility, and the capacity is expected to increase by more than 30,000 tonnes per year for any other type of facility.

Section 5 of the Act enables the Secretary of State to designate a policy statement as an NPS provided it complies with the requirements set out in Sections 5, 7 and 9 of the Act. An NPS will set out how Government policy on development of specific infrastructure should be applied to applications from a developer for development consent for an NSIP. In making clear the Government's policies, NPSs are intended to remove the need for lengthy planning inquiries on fundamental policy questions at the application stage. NPSs will also assist those who wish to engage in the planning process for nationally significant infrastructure projects. The intention is that they should give clarity and

a higher degree of predictability by informing applicants of some of the main issues that will be taken into account in the consideration of applications for development consent.

Policy objective

To secure for the development of hazardous waste infrastructure, the expected benefits associated with the new system for NSIPs established under the Act (as set out in the Impact Assessments accompanying the Act and the Infrastructure Planning (Fees) Regulations 2010). The Act provides for the replacement of multiple and overlapping consent regimes with a new single consent regime, with decisions being taken by the IPC within a framework of National Policy Statements (NPSs) set by Ministers. The Act noted that all proposed NSIPs will be governed by their own approval process which will consider options and determine costs and benefits.

The Government's 'Strategy for Hazardous Waste Management in England (2010)' "The Strategy" requires that hazardous waste should be managed by waste producers and waste managers in accordance with the requirements of the revised Waste Directive and in particular of the waste hierarchy which is the main objective of the Strategy. In applying the hierarchy, hazardous waste producers and waste managers are required to opt for hazardous waste management that takes into account the resource value of hazardous wastes, and the need for health and safety to be maintained and delivers the best overall environmental outcome. The need for new facilities to manage hazardous waste was established in the Strategy.

Annex 2 of the Strategy sets out the types of facility needed, including nationally significant facilities of the following types:

- **Waste electrical and electronic equipment treatment plants:** there is a need for at least one facility to treat flat panel displays (FPDs), cathode ray tubes (CRTs) and refrigeration

equipment. It is estimated that some 89,000 tonnes of “display equipment” arise in the UK per annum. Arisings are expected to increase significantly and a dedicated treatment plant to enable parts and materials

- **Oil regeneration plant:** There is demand for at least one further modern high quality oil regeneration plant with a capacity of 80,000 tonnes per annum
- **Treatment plant for air pollution control residues:** There is a need for at least five facilities to treat the Air Pollution Control (APC) residues that arise from the treatment of flue gases from municipal waste incinerators and energy from waste plant (EfW).
- **Thermal desorption plants:** Additional capacity of 60,000 – 120,000 tonnes is needed for the treatment of oily sludges, oily filter cakes and contaminated soil. This means there is a need for at least one to two plants with capacities of at least 60,000 tonnes per annum.
- **Bioremediation /soil washing facilities:** There is a need for greater capacity to treat contaminated soil. Waste soils and sludges from a number of industries, including construction and demolition are suitable for treatment by bioremediation and/or soil washing. A need is considered to exist for at least one further facility to treat contaminated soils. Such a plant would be likely to have a capacity well in excess of 30,000 tonnes per annum.
- **Hazardous waste landfill.** The Strategy identifies that while capacity at hazardous waste landfill appears to be sufficient for current needs, many landfills have time limited planning permission which will need renewal within the next ten years.
- **Ship recycling facilities.** The UK Ship Recycling Strategy issued in 2007 specifically encourages the development of facilities to improve the environmentally sound recycling of ships. To provide sufficient capacity to recycle

UK ships and contribute towards the provision of facilities globally, a mixture of new facilities with a capacity to manage above and below 30,000 tonnes of ships per annum will be needed within the next ten years.

These are the types of infrastructure that will be covered by the Hazardous Waste NPS. It is not known exactly how many applications would be brought to the IPC each year. This means there is a corresponding degree of uncertainty on estimates of resource costs & fee receipts. However, from analysis of current waste data trends and discussions with the industry, we have estimated that an average of 3 applications may be brought forward by hazardous waste developers each year. We have assumed a potential upper limit of seven in the event that one application were to be received for each type of facility in a single year. We have assumed a lower limit of one application being brought forward over each of the next five years. We will re-evaluate these assumptions further upon analysis of consultee responses.

Description of Options (including do nothing)

The options considered are

Option 1 – Do not develop a Hazardous Waste NPS: This is the baseline for this analysis, therefore there are no associated costs or benefits additional to those already incurred by developers under the current fees regimes.

This option would not meet the requirements of the Planning Act nor would it secure for developers the wider benefits expected to accrue from the new planning regime. The purpose of an NPS is to provide a clear statement for the IPC on how Government policy should be applied to consideration of an application for NSIP development consent. Without a designated NPS the IPC would not have a formal statement of hazardous waste policy, including the national need for new hazardous waste infrastructure against which to consider applications.

New major hazardous waste infrastructure could still be built and applicants would benefit from the new regime as set out in the Planning Act and secondary legislation, but the benefits arising from the fast-track timetable would not be realised.

We therefore consider that the option not to designate any hazardous waste infrastructure NPSs is not appropriate and would not be full implementation of the new Planning Act regime.

Option 2 – Develop a Hazardous Waste NPS: An NPS should set the framework for the IPC on the application of Government policy to applications for development consent for nationally significant hazardous waste infrastructure. This is the preferred option as it will allow market led infrastructure development with no specification of location or suitable technologies. This option incorporates conditions to ensure that developments make a positive contribution to sustainability objectives. Developers will be able to achieve the benefits of a faster and more transparent consenting regime. The key strategic policy alternatives identified are set out in the accompanying AoS and NPS.

Costs and Benefits of each option

The Planning Bill Impact Assessment set out the rationale for a single consents regime (see pages 6 – 7 of Planning Bill IA). A consent process that is faster, more transparent, and subject to less uncertainty will, in all cases, save costs to the developer and provide a more efficient process for those interested parties who wish to make representations. Higher costs related to processing applications are reflected in higher fees but are more than offset by the reduction in administrative costs resulting from a more streamlined process with the time taken for the examination stage expected to drop from 12 months to 6 months (see p.34, Planning Bill IA).

Monetary estimates of costs and benefits from the Planning Bill Impact Assessment are a result of analysis carried out in 2007. Further analysis is reflected in

Annex to the Planning Bill Impact Assessment and in the Impact Assessment which accompanied the Infrastructure Planning (Fees) Regulations 2010. This Impact Assessment derives its rationale from estimates in those earlier Impact Assessments.

The Planning Bill Impact Assessment considered three types of impacts of a new planning regime:

1. Net benefits to society from reducing delays in delivery of some NSIPs;
2. Changes in structures of accountability (non-monetised);
3. Changes in administrative costs.

Costs to businesses

(i) Option 1: status quo

The Impact Assessment produced for the Infrastructure Planning (Fees) Regulations 2010 noted that there are a number of different approval regimes used at present under the status quo, each with their own charging schedule, and that it is therefore difficult to estimate the average difference in fees that applicants will experience between the new and existing regimes. That Impact Assessment carried out an indicative assessment over the period 2004/05 to 2006/07 which indicated that, on average, applicants paid fees to the Planning Inspectorate of around £31,000 for the costs of undertaking public enquiries on major infrastructure proposals. These inquiry costs are in addition to the developers' own costs e.g. costs of legal representation (which can be significant during a lengthy inquiry), as well as other fees paid to decision-maker(s) to cover their costs of processing applications. Where any related works to the project require other permissions (such as planning permission or an Order under other Acts), further fees would also need to accompany those applications.

Given the uncertainty over how many applications an individual project might require – and the variation in how controversial it may be (which impacts on any inquiry fees and the developers'

own costs of representation) – that Impact Assessment made the following assumptions about fees paid under the existing regimes:

- while some decision makers recover pre-application costs (local planning authorities for instance have a discretionary power to recover such costs) it is assumed for comparison purposes that applicants do not currently pay fees for any pre-application services
- while there is a wide range of fees that can be charged under the current regime, it is assumed

for comparison purposes that applicants currently pay an overall average fee of £40,000 per application (as was used in the Planning Bill Impact Assessment)

Table 1 gives an indicative estimate of the costs to developers of hazardous waste under the current planning regime. This data, which is derived from preliminary discussions with industry representatives, will be further developed upon consideration of responses to the consultation on the hazardous waste NPS.

Table 1 – Estimated costs to developers of hazardous waste facilities under current planning regime.

Type of facility	Planning cost	Planning fee	Total costs		
			Assuming one application per facility each year.	Assuming two applications per facility each year.	Assuming three applications per facility each year.
Waste electrical and electronic equipment treatment plants	£50-100k	£25k	£75k – £125k	£150k – £250k	£225k – £375k
Oil regeneration plant	£50-100k	£25k	£75k – £125k	£150k – £250k	£225k – £375k
Treatment plant for air pollution control residues	£60k to £100k	£25k	£85k – £125k	£170k – £250k	£255k – £375K
Thermal desorption plants	£60k to £100k	£25k	£85k – £125k	£170k – £250k	£255k – £375K
Bioremediation /soil washing facilities	£50K	£7k	£57k	£114k	£171k
Hazardous waste landfill	£150k	£65k	£215k	£430k	£645K
Total			£592k – £772k	£1.2m – £1.5m	£1.8m – £2.3m

Note:

- The costs in Table 1 were developed following earlier discussions with sectors of the hazardous waste industry. They also take account of consultee responses to the consultation on the Infrastructure Planning (Fees) Regulations 2010. During the consultation we will be asking consultees whether they consider these cost estimates valid for their businesses.
- We do not have data regarding the costs for ship recycling facilities. We will be asking for this during consultation.

Costs to businesses

(ii) Option 2: Develop a Hazardous Waste National Policy Statement

It is a well established principle for applicants to pay fees to cover the costs of processing applications, rather than funding it through taxation. This reflects the fact that applicants stand to gain financially from the award of development consent. As with the current planning system, applicants will pay fees to cover the IPC's costs of processing casework and these are set out in the Infrastructure Planning (Fees) Regulations 2010. The main costs to developers will be in the form of the fees they will be required to pay under the new planning regime. The methodology of calculating these fees is set out on p.14 of the Infrastructure Planning (Fees) Regulations 2010 IA and based on resource modelling for the IPC. The increase in estimated fees relative to the baseline reflects the impact of changes to the application process, and the examination of applications and decisions by an independent infrastructure planning commission (IPC). There are new legislative requirements for developers to consult with the public and engage with key parties earlier, preventing costly delays later in the process. The examination process replaces the current inquiry process which incurred time and legal costs on developers and other bodies. The Planning Bill IA assumes, on average no change in costs to developers to prepare applications but that, under the new regime costs at examination stage fall in proportion to reductions in time taken at this stage resulting from reform (p.33 of Planning Bill IA).

As set out in the guidance accompanying the Infrastructure Planning (Fees) Regulations 2010 (see Annex 5), fees will be charged at different stages in an application's consideration:

- fee when submitting an application for development consent to the IPC,

- fee when an application is accepted for consideration by the IPC based on whether case is handled by a Single Commissioner, Panel of three Commissioners (a "Normal Panel") or Panel of more than three Commissioners (a "Large Panel"),
- fee when the IPC commences its formal examination of an application, based on a system of day-rates and how many Commissioners are handling the case,
- fee when the IPC completes its formal examination of an application; and
- fee for any venue costs i.e. where one is not provided by the applicant.

Using figures in the Planning Bill Impact Assessment, and taking into account recent estimates of anticipated casework in the Infrastructure Planning (Fees) Regulations 2010, it is assumed for the purposes of this assessment that once the IPC is operational and assuming an best estimate application rate of three, with an upper limit of seven, the indicative split across the number of applications from hazardous waste developers will be as follows:

- 33% go through the Single Commissioner process
- 65% go through the Normal Panel process; and
- 2% go through the Large Panel process.

These estimates are set out in Table 2 (figures are rounded where appropriate) and should be considered in light of the wider benefits of the Planning Act 2008, and as expanded upon in the Infrastructure Planning (Fees) Regulations 2010 (see pages 8 – 9 of the Impact Assessment for the Infrastructure Planning (Fees) Regulations 2010). Evidence of any changes to these figures will be sought at consultation.

Table 2 – Indicative estimate of fees for a typical application submitted under the new regime

All types of facilities	Costs under new planning regime are standardised according to the complexity of the application		
	Cases handled by a Single Commissioner	Cases handled by a "Normal Panel" (3 Commissioners)	Cases handled by a "Large Panel" (4+ Commissioners)
Request for authority to serve a notice requiring information to be provided on interests in land	£1000 per request		
Request to authorise right of entry to land (section 53)	£1000 per request		
Fee when submitting an application to the IPC	£4500 per request		
Fee once application accepted	£13,000	£30,000	£43,000
Examination – Day rate	£1,230 per working day	£2,680 per working day	£4,080 per working day
Typical overall fee rounded	£58,000	£174,000	£347,000
Decision	Costs incorporated into examination day-rates		
Total fees paid for a typical case	£75,000	£209,000	£394,000
Estimated overall annual increase in fees to business in the country for all infrastructure types covered by the Planning Act (relative to the current regime)	£4.6m per year		

Modelling methodology and assumptions (see pages 8 – 12 of the Infrastructure Planning (Fees) Regulations 2010 Impact Assessment).

- The methodology and underpinning assumptions used to generate the fees in Table 2 (including the costs being recovered) are set out in the Impact Assessment which accompanied the Infrastructure Planning (Fees) Regulations 2010. It estimates the impact of the new fees regime on all infrastructure types covered by the Planning Act. The impact of the new fees regime on applications submitted by hazardous waste developers are set out in Table 3.

- While fees for "Large Panel" cases are relatively significant, it is expected that only the most controversial or complex cases would require this level of resource. The vast majority of cases are expected to be handled by a Single Commissioner or Panel of three Commissioners (i.e. a Normal Panel).
- Concerns were raised during the consultation on the draft Infrastructure Planning (Fees) Regulations (2010) about the impact of the new fees regime on low value projects e.g. small highway schemes, short electricity lines and hazardous waste facilities. Applications for

hazardous waste facilities are overwhelmingly likely to fall within the category of low value projects. In response to these concerns, the final Infrastructure Planning (Fees) Regulations 2010 were adjusted to differentiate pre examination fees based on the complexity of project – this balanced the fees out more fairly, with less complex projects such as hazardous waste facilities seeing a reduction of £21,000 (22%) relative to the overall typical fees which were published for consultation.

- Additional fees paid by developers for all sectors are estimated at £4.6m per year. Across 30 cases brought forward by developers per year, this equates to an average annual cost per application/organisation of circa £150,000. It is assumed that – in total – applicants pay average fees of £40,000 per project under the status quo.
- The Planning Bill Impact Assessment noted benefits of the new regime of up to £300m a year – which includes £20m in administrative

savings to all developers (see page 8 of the Planning Bill Impact Assessment). These benefits include:

- replacement of multiple and overlapping consent regimes with a new single consent regime, thus in most cases enabling scheme developers to submit just one application for consent rather than numerous applications;
- increased certainty for scheme developers from having a clear statement of Government policy (National Policy Statements) on the national need for infrastructure; and
- faster decisions, with applications being determined in most cases within a year where a National Policy Statement is in place (applicants would therefore not face the kind of significant costs incurred during the existing and often lengthy inquiries e.g. costs of legal representation).

Table 3 – Fees to be paid by developers of hazardous waste facilities under the new planning regime (assuming up to seven applications submitted with an expected median of 3).

	Single Commissioner cases	Normal Panel cases	Large Panel cases
Option 2 (NPS)			
Typical fees received per application.	£75,000	£209,000	£394,000
Estimated number of applications from business per year (assuming up to 7 applications submitted).	3 applications	4 applications	0 applications
Total annual fees paid by business.	£1.1m per year		
Additional fees paid by business relative to Option 1	£820,000 per year		
Option 1 (Baseline)			
Estimated annual fees paid by business for 7 applications.	£280,000 per year (£40,000 per application)		

While there is an overall increase in fees to business of £820,000 per year, application (relative to the baseline), this is more than offset by the wider benefits of the new regime (see benefits to businesses section below). The best estimate of 3 applications is assumed to increase fees £470,000 per year to businesses. These costs to businesses are more than offset by the benefits detailed below.

Costs to Government.

The main cost to Government is in the form of producing the NPS. This is estimated at £350,000. The NPS will be reviewed subsequently at 5-year intervals, with each second review considering policy in more depth. The cost of reviewing the NPS will be 50% of the original cost of producing it. The NPS does not impose any additional costs.

Benefits.

This Impact Assessment restates and confirms the benefits identified on page 8 of the Planning Bill Impact Assessment 2008 and on page 2 of the Infrastructure Planning (Fees) Regulations 2010 Impact Assessment. The benefits that are directly arising from the designation of the Hazardous Waste NPS are:

- benefits from earlier completion and operation of infrastructure to treat hazardous waste;
- benefits from pushing waste treatment and disposal up the hierarchy
- enabling treatment of a number of waste streams
- a contribution to benefits to developers and other interested parties from increased transparency of the planning process;

Benefits to businesses (hazardous waste developers)

As the Planning Act provides for the replacement of multiple and overlapping consent regimes with a new single consent regime, with decisions being

taken by the IPC within a framework of National Policy Statements (NPSs) set by Ministers, this means that developers who currently need to submit multiple applications will, in most cases, now only need to submit a single application to the IPC. Depending on the project, this could yield significant savings. The Planning Bill Impact Assessment estimated that the overall benefits of the new planning regime could be up to £300m a year, which includes up to £20m in administrative savings to scheme developers (e.g. those savings deriving from shorter hearings leading to reduced legal costs). The IPC will operate a streamlined examination process and, where a relevant NPS is in place, it is expected that in most cases a decision will be made within a year of the application being accepted for consideration. Applicants would therefore not face the kind of significant costs incurred during the existing and often lengthy inquiries e.g. cost of legal representation. As such, though the new regime for consenting nationally significant infrastructure projects is estimated to increase fees paid by business each year this must be viewed in the context of wider benefits of the new system and should not necessarily deter potential applicants.

The Planning Bill Impact Assessment estimated that administrative savings of up to £200,000 per project could accrue to developers of typical waste schemes under the new regime (see pages 32-34 of the Planning Bill IA). These estimates of administrative savings are based on the assumption that under the new regime the length of examination for a typical waste facility will fall from twelve months under the status quo to six months, with the corresponding reduction in costs. Examination costs for a typical waste scheme under the status quo are estimated at up to £500,000 per project. This is expected to fall to around £300,000 per project under the new regime. Hence administrative savings of between £200k (for one application) to £1.4m (7 applications) could be expected to be realised by hazardous waste developers. The best estimate of savings is £600k per annum (3 projects).

The administrative savings estimated in the Planning Bill Impact Assessment are intended to represent 'typical' schemes, with considerable variability in practice. We will be asking consultees whether the estimates given in the Planning Bill IA for 'typical waste schemes' are still valid and whether they are similarly applicable to 'typical' hazardous waste schemes'.

Only the direct benefits of the reduced administrative costs for hazardous waste developers are included in this IA. The calculation of the £280m p.a. net benefit to society is calculated by modelling impacts on the electricity generation, gas supply and aviation sectors. There is insufficient detail to be able to apportion any of this benefit to the hazardous waste sector.

A key uncertainty around the benefits of reducing delays is the extent to which time savings in the planning process would be realised under the new regime (Planning Bill IA p.14). For example, an increase in judicial reviews could delay the construction of NSIPs. This IA, in line with the Planning Bill IA assumes no net change in the number and length of judicial reviews over the period.

To the extent that the IPC scrutiny process is as rigorous as the existing system, and the additional long term strategic direction of national policy set by government, which would incorporate sustainable development principles, the risk of adverse environmental impacts from these changes should be limited. There may be differential impacts on the local environment but this will depend on specific projects. Overall the impacts would not be expected to differ greatly under the new regime (again, in line with the Planning Bill IA p.14).

Benefits to Government.

The Infrastructure Planning (Fees) Regulations 2010 Impact Assessment noted that the new system of fees will also impact on Government expenditure (see page 20 of that IA). In terms of

decisions on proposed projects that are currently taken by central and local government, loss of fees to those decision-makers (which is offset by savings to workload) was accounted for in the Planning Bill Impact Assessment. That IA stated that the public sector should also benefit from faster decisions – such as reduced costs of preparing for and representation at hearings. However, those savings were not assessed as part of that Impact Assessment.

Local authorities

In relation to local authority costs, analysis carried out in the Infrastructure Planning (Fees) Regulations 2010 Impact Assessment indicated that the new regime does not place an increased burden on local authorities who already:

- look closely at any major infrastructure projects proposed in their area and enforce conditions
- engage with developers on potential applications; and
- bear their own costs for their involvement in any inquiry held by the Planning Inspectorate.

Statutory bodies

Similarly for statutory bodies, the Infrastructure Planning (Fees) Regulations Impact Assessment noted that they also already engage with relevant projects and incur their own costs for any involvement in a planning inquiry (see page 5 of that IA). As such Government does not intend to provide additional funding for their involvement in the new regime. Further detail on the responses to consultation can be found on the Communities and Local Government website. A guidance note has also been published alongside the Infrastructure Planning (Fees) Regulations 2010, explaining how the fee regulations operate in practice and providing some worked examples to aid interpretation.

Risks and assumptions

It has been assumed for the purposes of this Impact Assessment that the figures for costs and benefits as set out in the Impact Assessments accompanying the Planning Act and the Infrastructure Planning (Fees) Regulations 2010 remain appropriate and accurate. As such, this Impact Assessment makes the same assumptions about sensitivities and risks as set out in those Impact Assessments namely: the extent to which the proposed reductions in time to process applications will be realised under the new regime, and to what extent time savings would result in earlier completion of NSIPs.

It is assumed that there will be an average of 3 applications submitted by hazardous waste developers with a potential upper limit of seven applications. These assumptions will be re-evaluated following responses from the industry to this consultation.

The estimates of length of examination given in the Planning Bill IA include the time between submission of application and start of examination; they do not include the time taken either for promoters to prepare applications or for the time between end of examination and decision, and; are intended to represent 'typical' schemes, with considerable variability in practice. We will be asking consultees whether the estimates given in the Planning Bill IA for 'typical waste schemes' are similarly applicable to 'typical' hazardous waste schemes'.

Direct costs and benefits to business calculations (following One-In-One-Out OIOO methodology OIOO).

Admin burden and policy saving calculations are set out in the Planning Bill Impact Assessment (pg 9, 32, 33)

Impacts on business:

Using the best estimate of 3 applications per year which gives NPV benefits of £1.0m. The discount rate used is 3.5% and the time is 9.5 years,

accounting for the expected implementation of the NPS in October 2011. The equivalent annual net benefit is $1.0 / (1/0.035 * (1 - (1/(1+0.035)^{9.5})))$
= £0.1m

Using the best PV estimate of costs of £3.8m, the annual equivalent cost to business is £0.5m

Using the best PV estimate of benefits of £4.9m, the annual equivalent benefit to business is £0.6m.

Small Firms Impact Test

The Planning Bill Impact Assessment noted that there is currently a bias in the system towards larger promoters who are more able to absorb the considerable administrative costs (see page 18 of that IA). Through reducing these costs, the reforms should create a more level playing field between smaller and larger firms.

An assessment was made in the Infrastructure Planning (Fees) Regulations 2010 Impact Assessment as to whether there would be any disproportionate impact on small and medium enterprises (SMEs), such as whether the level of fees would constitute a barrier to entry for SMEs. This assessment was informed in light of responses received pursuant to consultation on those Regulations, where concerns were raised about the impact of fees on less complex projects such as hazardous waste facilities. Steps were consequently taken to balance the fees more fairly, with less complex projects handled by a Single Commissioner seeing a £21,000 (22%) reduction in fees. In addition some projects can be consented as development associated to other, larger schemes (again reducing the number of applications and so fees that must be paid).

An assessment was also carried out in the Infrastructure Planning (fees) Regulations 2010 Impact Assessment to examine the impact of the new examination rules on SMEs (see page 21 of that IA). It showed that there would be no disproportionate impact on SMEs. Given the costs associated with such developments, the view is that only a major developer is likely to submit an application for a development of such a scale that

it would be classified as NSIP. However, because the new rules will apply to some relatively more modest projects, such as some hazardous waste projects, there is a chance that there will be an impact on SMEs, although it is likely that for a smaller project the wide range of provisions in the rules will not need to be used.

It is expected that smaller firms will enjoy the benefits of tighter-run, shorter examinations, with more predictable durations. In these smaller projects the costs of the examination tend to be a greater proportion of the overall costs than for larger projects. This will be especially important for small firms who might not have the resources to cope with continued delays. It is also expected that because the IPC will only use some of the new provisions if required e.g. hearings, smaller firms will not face over-engineered examinations of their projects.

Wider impacts

The NPS has been subject to Assessment of Sustainability, incorporating the requirements for Strategic Environment Assessment (SEA). The AoS informed the preparation of the Hazardous Waste NPS and the conclusions of the AoS are summarised below.

The AoS assessed the overall potential sustainability impacts of the Hazardous Waste NPS as being broadly minor positive with any potential minor negative effects being of a nature that could be addressed by the conditions and recommendations set out in the AoS and which have now been included in the NPS.

The AoS identified some minor negative effects of the NPS as being related to air quality and emissions, population, health and well being, noise and spatial planning and land use. These reflect inherent uncertainties around scheme location, types of infrastructure and methods of construction and also the large size of the facilities. Some minor or uncertain effects were also identified in respect of some of the types of facility identified in the NPS.

A number of recommendations were made by the AoS to improve the sustainability performance of the NPS and these were incorporated into the text of the NPS.

Full details of the impact tests, assessments and proposed mitigation measures can be found in the accompanying NPS and AoS.

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. If the policy is subject to a sunset clause, the review should be carried out sufficiently early that any renewal or amendment to legislation can be enacted before the expiry date. 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.

Basis of the review: [The basis of the review could be statutory (forming part of the legislation), i.e. a sunset clause or a duty to review, or there could be a political commitment to review (PIR)];

Political commitment. It is expected that the Secretary of State would review the NPS approximately every five years and that, subject to those reviews, the NPS itself, and the policy contained therein, would apply.

Review objective: [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?]

To ensure that the NPS remains appropriate for use by the IPC or its successor body.

Review approach and rationale: [e.g. describe here the review approach (in-depth evaluation, scope review of monitoring data, scan of stakeholder views, etc.) and the rationale that made choosing such an approach]

The review will: assess the effectiveness of the NPS in guiding the IPC or successor body; ensure that the NPS correctly reflects latest Government policies; and identify whether new large hazardous waste projects coming forward should be incorporated into the NPS.

Baseline: [The current (baseline) position against which the change introduced by the legislation can be measured]

Time taken between application and consented hazardous waste infrastructure projects during a baseline year (to be determined).

Success criteria: [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]

Improvements in the time taken between application and consent for hazardous waste infrastructure projects once the NPS is designated.

Monitoring information arrangements: [Provide further details of the planned/existing arrangements in place that will allow a systematic collection systematic collection of monitoring information for future policy review]

Defra will be responsible for the implementation of a monitoring strategy for the NPS. Following consultation on the draft Hazardous Waste NPS and the AoS Report, guidance on developing aims and methods for monitoring will be undertaken to take into account responses received on the draft Hazardous Waste NPS and the AoS, HRA and EqIA.

This will be outlined in the AoS Statement that will be published with the adopted Hazardous Waste NPS.

Reasons for not planning a review: [If there is no plan to do a PIR please provide reasons here]

N/A

Annex 2
Planning Bill Impact Assessment.

click on following link

<http://www.communities.gov.uk/documents/planningandbuilding/pdf/561912.pdf>

Annex 3
Annex to Planning Bill Impact Assessment:

click on following link

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

Annex 4
Infrastructure Planning (Fees) Regulations 2010 Explanatory Memorandum and Impact
Assessment

click on following link

http://www.legislation.gov.uk/uksi/2010/106/pdfs/uksiem_20100106_en.pdf

Annex 5
Infrastructure Planning (Fees) Regulations 2010
Guidance

click on following link

**[http://www.communities.gov.uk/documents/planningandbuilding/pdf/
infrastructurefeesguidance.pdf](http://www.communities.gov.uk/documents/planningandbuilding/pdf/infrastructurefeesguidance.pdf)**

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