

Approval condition where a development order grants permission for building

Department for Communities and Local Government

RPC rating: validated

The IA is now fit for purpose as a result of the department's response to the RPC's initial review. As first submitted, the IA was not fit for purpose.

Description of proposal

The proposal is to simplify the planning system by increasing flexibility to enable local planning authorities to consider more specific impacts under the 'prior approval' process. This would enable the Secretary of State to consider bringing forward wider permitted development rights for building operations through secondary legislation.

Impacts of proposal

The impact assessment (IA) explains that the Department is unable to quantify the impacts of the proposals at this stage, as this depends on the details of secondary legislation establishing specific permitted development rights. However, the IA does provide some indication of the impacts of the measure.

In general terms, permitted development rights benefit businesses by removing the requirement to submit planning applications. This represents a reduction in transaction costs, which includes a net reduction in fees and the administrative burden of preparing planning applications. Based on analysis by *Arup* of the cost of submitting planning applications, the IA estimates this saving to be £13,210 per application. However, the IA explains that the Department is unable to estimate the total scale of the impacts as the number of applications, and hence the number of businesses that will be affected, is not known at this stage as this will depend on the specific proposals to be brought forward through secondary legislation.

The IA states that any secondary legislation would be subject to a detailed IA, which would include an estimated equivalent annual net cost to business (EANCB) figure.

Local planning authorities would also benefit from the proposal. Permitted development rights, in general, reduce the administrative costs for local authorities as a result of having fewer planning applications to determine. However, this benefit may be offset by the time taken to consider prior approval and a decrease in fee income from applications.

Quality of submission

As initially submitted for RPC scrutiny, the IA was, for a number of reasons, not considered fit for purpose. Following the RPC's initial review, the Department submitted a revised IA that responded to the points as follows:

Issues addressed following RPC's initial review

Scope for business impact target

The IA now correctly states that the proposals are in scope of the business impact target.

Costs and benefits

The IA now provides a greater discussion of the impacts of the proposal and provides an indication of the savings to developers per application. The IA explains that the Department cannot, at this stage, estimate the number of applications and hence the number of businesses that will ultimately be affected as this will depend on the detail of specific proposals for permitted development rights to be brought forward through secondary legislation. The Department cannot, therefore, fully estimate the scale of the impacts at present. This appears reasonable.

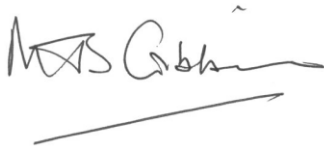
The RPC is able to confirm the impacts of the proposal as zero at this stage. This is on the basis that, currently, the level of detail available on the expected content of the secondary legislation is insufficient to enable assessment of a robust EANCB figure. The RPC will need to see an updated/further IA when the detail of the secondary legislation has been decided.

Departmental assessment

Classification	Qualifying regulatory provision (OUT)
Equivalent annual net cost to business (EANCB)	Not provided
Business net present value	Not provided
Societal net present value	Not provided

RPC assessment

Classification	Qualifying regulatory provision (OUT)
EANCB – RPC validated	Zero (at this stage)
Small and micro business assessment	Not required (deregulatory)
RPC rating (of initial submission)	Not fit for purpose



Michael Gibbons CBE, Chairman