 <b>Regulatory Policy Committee</b>	<b>Validation of the One-in, Two-out Status and the Net Direct Impact on Business</b>	
<b>Validation Impact Assessment (IA)</b>	The Strategic Road Network and the delivery of sustainable development	
<b>Lead Department/Agency</b>	Department for Transport	
<b>IA Number</b>	DfT00287	
<b>Origin</b>	Domestic	
<b>Expected date of implementation</b>	SNR5	
<b>Date of Regulatory Triage Confirmation</b>	22 October 2012	
<b>Date submitted to RPC</b>	11 June 2014	
<b>Date of RPC Validation</b>	03 July 2014	
<b>RPC reference</b>	RPC12-FT-DFT-1552(2)	
<b>Departmental Assessment</b>		
<b>One-in, Two-out status</b>	OUT	
<b>Estimate of the Equivalent Annual Net Cost to Business (EANCB)</b>	-£5.8 million	
<b>RPC assessment</b>	<b>VALIDATED</b>	
<b>Summary RPC comments</b>		
<p>The Validation IA is fit for purpose. Following the RPC seeking clarification on the consistency of the figures, the Department has revised significantly its estimates. The Department has now provided a cost model which supports an EANCB figure of -£5.8 million. This figure can now be considered to be robust. However, while not affecting validation of the EANCB, a number of errors in the figures in the IA should be corrected before its publication.</p>		
<b>Background (extracts from IA)</b>		
<b>What is the problem under consideration? Why is government intervention necessary?</b>		
<p><i>“Transport plays an important role in enabling economic activity. It is important that developers and responsible authorities have clear guidance on how development proposals will be assessed in terms of the impact on the strategic road network. Current policy must be updated to reflect the changes to the legislative, regulatory and institutional framework of the planning system brought about by the Localism Act 2011 and the National Planning Policy Framework, and to emphasise the Highways Agency’s role and responsibilities in being an effective delivery partner to and enabler of economic growth.”</i></p>		
<b>What are the policy objectives and the intended effects?</b>		
<p><i>“The policy seeks to give clear, consolidated and streamlined guidance on the</i></p>		

*role of the strategic road network in enabling growth while avoiding any additional regulation, where possible removing the duplication of policy to be found elsewhere, promoting development and economic growth, and devolving decisions for determination at the local level wherever appropriate. Wherever possible to do so regulation has been removed and devolved to a local level where decisions can be made based on local needs and circumstances, in the main through the planning system. Only essential regulation that secures the integrity of the strategic road network as a national asset is retained.”*

### **RPC comments**

The proposal is for a single policy statement, replacing two existing planning circulars, for local planning authorities to apply in assessing the impact of building development proposals on the Strategic Road Network. This is to ensure that policy is consistent with changes to the legislative, regulatory and institutional framework of the planning system brought about by the Localism Act 2011 and the National Planning Policy Framework. The proposal is deregulatory in nature, retaining some obligations from the previous policies where it is considered essential to do so and removing and devolving others where possible.

There are six elements in the new policy statement. The main policy element, which accounts for all of the monetised costs and benefits, is '*Road capacity and developer mitigation of impact*'. Under this proposal, some developers will no longer be expected to mitigate impact where adequate road capacity already exists. In other cases, the need to mitigate will be limited to accommodate all traffic on the opening of the development rather than, as at present, for a ten-year period after applying for planning consent.

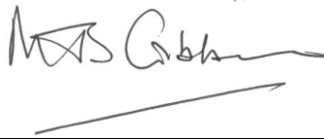
Data for the last three years show that developers have spent an average of £70 million each year to meet current requirements. The IA makes a conservative estimate that 10 per cent of this, i.e. £7 million each year, will no longer need to be spent by developers. This makes up nearly all of the EANCB of -£5.8 million.

*Presentation of the IA and consistency of figures.* Following the RPC seeking clarification on the consistency of the figures, the Department has revised significantly its estimates. The Department has now provided a cost model which supports an EANCB figure of -£5.8 million. This figure can now be considered robust and the RPC is therefore able to validate it. However, nearly all of the figures on page 2 of the IA are incorrect, in most cases because they are figures submitted previously. This must be corrected before publication of the IA.

*Possibility of non-monetised costs.* The IA discusses briefly "*risks and assumptions*" against each of the six individual proposals. For example, it is acknowledged that reducing the obligations on developers to mitigate traffic impacts associated with a development ('policy element 1') could transfer

some burden to the public sector. The IA could explain further why this “*is not likely to be significant*” (page 7). More generally, the IA would benefit from further consideration of any possible negative impacts of the proposals, particularly given the concerns raised during the public consultation about “*negative social and environmental consequences associated with this more permissive approach*” (page 9).

**Signed**

A handwritten signature in black ink, appearing to read "Michael Gibbons", with a long horizontal line underneath it.

**Michael Gibbons, Chairman**