

Title: Ebbsfleet Development Corporation IA No: Lead department or agency: Department for Communities and Local Government (DCLG) Other departments or agencies:	Impact Assessment (IA)	
	Date: 10/07/2014	
	Stage: Consultation	
	Source of intervention: Domestic	
	Type of measure: Secondary legislation	
Contact for enquiries:		
Summary: Intervention and Options		RPC Opinion: Not Applicable

Cost of Preferred (or more likely) Option				
Total Net Present Value	Business Net Present Value	Net cost to business per year (EANCB on 2009 prices)	In scope of One-In, Two-Out?	Measure qualifies as
£m	£m	£m	Yes/No	In/Out/zero net cost

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

The supply of new housing is still falling short of meeting the needs of local communities and the Ebbsfleet and Swanscombe area has huge potential to create new homes and jobs. Development of the area has been in the pipeline for a long time but for various reasons has stalled with little progress made to date. The creation of a dedicated Development Corporation will provide the leadership, coordination and skills required to drive forward the delivery of development in Ebbsfleet. Based on previous experience we believe that this model, i.e a focused vehicle, is the most appropriate way to deal with the particular opportunities and challenges in the area.

What are the policy objectives and the intended effects?

Increase housing supply - The provision of a dedicated development corporation will drive forward the delivery of homes in Ebbsfleet as part of a series of measures aimed to support government's commitment to increase housing supply and jobs.
 Improve efficiency - The policy will seek to unlock proposed development in the area which has been in the pipeline for some time but that has been deterred by unreasonably slow decisions. It will do this by providing the skills, expertise and leadership needed to create new homes, and increase jobs by unlocking and supporting significant development which will include a mix of residential and commercial opportunities.

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

- (i) Do nothing - despite the importance placed on the development of the area by key partners since the mid 1990s progress has been slow. It is logical to reason that left without support the area will continue to struggle to deliver on its ambitions.
- (ii) Creation of a Development Corporation at Ebbsfleet (preferred option). Previous corporations, like the Docklands have been a huge success. Experience from the 1980s suggests that Development Corporations work best when they channel their efforts into the development of specific major sites where extensive capacity and resources are required. In the case of Ebbsfleet which has particular opportunities and challenges, we believe that this model is the most appropriate way to drive forward the development of the area.

Will the policy be reviewed? It will be reviewed. If applicable, set review date: Month/2020

Does implementation go beyond minimum EU requirements?			N/A		
Are any of these organisations in scope? If Micros not exempted set out reason in Evidence Base.	Micro Yes/No	< 20 Yes/No	Small Yes/No	Medium Yes/No	Large Yes/No
What is the CO ₂ equivalent change in greenhouse gas emissions? (Million tonnes CO ₂ equivalent)			Traded:		Non-traded:

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 & Evidence

Policy Option 1

Description:

FULL ECONOMIC ASSESSMENT

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

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

Description and scale of key monetised costs by 'main affected groups'
 We do not expect these interventions to impose any new costs on businesses, local authorities and communities. Development proposals will continue to be submitted in the same way in request for planning consent, however these applications will be made to the Development Corporation rather than the existing local planning authorities.

Other key non-monetised costs by 'main affected groups'
 As mentioned above, these interventions are not expected to impose any new costs on businesses, local authorities or nearby communities.

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

Description and scale of key monetised benefits by 'main affected groups'
 This policy will be of net benefit to business, local authorities and communities. It is not possible to quantify or monetise these benefits as the process to obtain planning permission from a development corporation is the same as from a local planning authority. There is however, a reasonable expectation that these changes create a streamlined dedicated planning process that would facilitate faster more efficient decisions, saving businesses some time and money.

Other key non-monetised benefits by 'main affected groups'
 There are several wider benefits as a result of these measures. Quantifying these impacts would require disproportionate analysis but they have been described below:
 (i) savings in time and reduced uncertainty planning applicants experience via the increased co-ordination and leadership skills development corporations offer, and an improved consistency in planning outcomes.
 (ii) wider additional economic benefits from the expected increase in homes and auxiliary growth.

Key assumptions/sensitivities/risks	Discount rate (%)	
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BUSINESS ASSESSMENT (Option 1)

Direct impact on business (Equivalent Annual) £m:			In scope of OITO?	Measure qualifies as
Costs:	Benefits:	Net:	Yes/No	IN/OUT/Zero net cost

Policy Context

The policy objective follows the announcement by the Chancellor at Budget 2014 to create a new Garden City for the 21st Century around the High Speed rail station at Ebbsfleet, Kent, capable of providing up to 15,000 new homes based on existing brownfield land.

Problem under consideration

With the supply of new housing still falling short of meeting the needs of local communities, Government is committed to addressing the country's dysfunctional housing markets and increasing the number of homes available to local people. The Ebbsfleet, Northfleet and Swanscombe area has huge potential to create not only new homes but also a vibrant and cohesive place where people will want to live and work.

Rationale for intervention

The ambitious plans for creating a new Garden City at Ebbsfleet with up to 15,000 new homes is part of a series of measures aimed at unlocking housing development and increasing housing supply. The area around the Ebbsfleet international railway station has been identified as the location for large scale development since the mid-1990s. However, despite ambitious plans, the granting of planning permissions and the involvement of Government to help resolve transport barriers there has been little progress in terms of development.

Large scale developments are complex, requiring significant coordination, focus and expertise and strong leadership to drive delivery forward. A Development Corporation's objective is to 'secure the regeneration of its area' and this is to be achieved through:

- Bringing land and buildings into effective use
- Encouraging the development of existing and new industry and commerce;
- Creating an attractive environment; and
- Ensuring that housing and social facilities are available to encourage people to live and work in the area.

In order to achieve the regeneration of its area, a Development Corporation will be able to:

- Acquire, hold, manage, reclaim and dispose of land and other property;
- Carry out building and other operations;
- Seek to ensure the provision of water, electricity, gas, sewerage and other services;
- Carry on any business or undertaking for the purposes of the object; and
- Generally do anything necessary or expedient for the purposes of the object or for purposes incidental to those purposes.

Previous corporations, like the Docklands have been a huge success in delivering on their objectives and experience from the 1980s suggests that Development Corporations work best when, like Ebbsfleet, they channel their efforts into the development of specific major sites where extensive capacity and resources are required.

In the case of Ebbsfleet which has particular opportunities and challenges, we believe that the Development Corporation model is the most appropriate way to drive forward the development of the area.

In establishing a Development Corporation, the Local Government Planning and Land Act 1980 allows the Secretary of State to provide by Order for a development corporation to be the local planning authority for the whole or any part of its area to help secure the delivery of development.

Impact of intervention

The creation of a dedicated Development Corporation will have a positive impact on the development of the area by providing a focused and dedicated vehicle which can work with the various key partners to coordinate planning, resources and ultimately delivery.

The land identified for development and proposed to be included within the Development Corporation's boundary straddles two local authority areas, Dartford Borough Council and Gravesham Borough Council and falls within the jurisdiction of Kent County Council.

Establishing the Development Corporation as a Local Planning Authority will be beneficial to landowners and developers as there will be a single organisation which will be responsible for all planning decisions within the boundary, removing any risk of duplication or confusion of having to approach and deal with two separate planning authorities. The Development Corporation will also be able to have a more cohesive view about the interrelationships of the developments across its area and their relationship with existing communities in the wider area, which will be important to deliver the Garden City principles.

Summary of benefits and costs

- There are no costs to businesses / landowners. This policy will have a positive non-monetised effect through:
- The provision of a dedicated corporation with the skills, leadership, experience and resource to coordinate and deliver on the large scale development needed to meet the ambitions for the area;
- The provision of coordinated planning processes and single authority across the development area;
- A consistent and cohesive view across the Development Corporation area to deliver the Garden City; and
- The increase in homes and growth in the development area.