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|  <b>Regulatory Policy Committee</b>   |  | <b>Regulatory Triage Confirmation</b>                                     |                   |
| <b>Title of regulatory proposal</b>  |  | Reducing planning regulations to support housing, high streets and growth |                   |
| <b>Lead Department/Agency</b>  |  | Department for Communities and Local Government                           |                   |
| <b>Origin</b>  |  | Domestic  |                   |
| <b>Expected date of implementation</b>   |  | April 2015 (SNR 9)  |                   |
| <b>Date submitted to RPC</b>   |  | 10 July 2014  |                   |
| <b>Confirmation date and reference</b>   |  | 22 July 2014  | RPC14-FT-CLG-2147 |
| <b>Departmental triage assessment</b>  |  | Low-cost regulation   |                   |
| <b>RPC confirmation</b><br><br>The RPC confirms this for the fast track as a low-cost regulatory proposal.   |  |   | <b>CONFIRMED</b>  |
| <b>Departmental rationale for triage rating</b><br><br>The Regulatory Triage Assessment (RTA) explains how the Government proposes “ <i>making changes to legislation so that more development can take place without the need for a planning application. This includes increased flexibilities on the high street, with the exception of change of use to a betting shop or pay day loan shop</i> ”.<br><br>Specifically, the intention is “ <i>to introduce additional permitted development rights and make permanent some existing temporary rights. In some cases, prior approval is required from the local planning authority, allowing a consideration of specific planning issues</i> ”.<br><br>While the impact on business would be overall beneficial, the proposal also covers “ <i>more scrutiny of proposals for the change of use to betting shops.... we will make changes to existing permitted development rights to enable local planning authorities to determine a planning application for the change of use to a betting shop or pay day loan shop. This latter change will be a small regulatory measure</i> ”.<br><br>Therefore the Department’s rationale for fast track is that:<br><br>“ <i>Extending existing permitted development rights and creating new ones across a variety of development types are beneficial to business. They no longer require business to submit a full planning application for certain development.</i><br><br><i>However, the final element of the package of changes to the General</i> |  |   |                   |

*Permitted Development Order mean that in certain circumstances businesses will need to submit a full planning application for a betting or pay day loan shop where they previously did not need to. The evidence that follows clearly demonstrates the gross costs to businesses of this element will be below the £1m threshold – for this reason the triage rating is low cost regulation.”*

## **RPC comments**

The proposal covers two legislative changes:

- (i) extends the use of permitted development rights across a wider range of development types; and
- (ii) will require betting and pay day loan shops to provide a full planning application.

This will affect business as “*Businesses will no longer have to submit a full planning application for an increased number of categories of development. The exception to this is the change of use to new betting shops and pay day loan shops, for which a planning application will in future now be required*”.

In considering the magnitude of the likely gross costs of the proposal, the Department has estimated a range of 18 potential cost scenarios. The only scenario where gross costs would exceed £1 million per year is one in which:

- all applications cost the maximum value of £3,370; and
- all new betting and pay day loan shop openings happen in formerly A2 or A3, A4 and A5 premises, rather than formerly A1 (shops) premises; and
- pay day loan shops continue to grow by 352 each year (the industry grew from zero shops in 2009 to 1,411 in 2013).

Although under this scenario the gross cost would be over the £1 million threshold, the Committee believe that the Department has provided a convincing case as to why this extreme scenario is very unlikely to occur.

The IA should use the consultation to obtain a longer and more robust time series covering the growth of betting shops in the UK. This would assist in the refining of the estimate for the likely number of new openings of betting shops to support the cost calculations.

Finally, the Committee notes that RTA refers, as background, to a consolidation of General Permitted Development Orders as part of the Red Tape Challenge programme. We look forward to a separate validation IA on this in due course.

## **One-in, Two-out (OITO) assessment**

## **In scope**

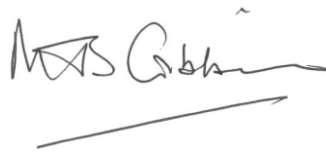
The RTA says that this is a regulatory proposal that is in scope of OITO and would impose a direct net cost to business (an ‘IN’). However, given the proposal has both deregulatory and regulatory elements, the Committee is

unable to confirm the OITO assessment at this stage.

To inform the OITO assessment at final stage, the Department should use the consultation to gather evidence on the potential saving to business from no longer having to submit a full planning application on the full range of retail premises.

In addition, the Department will have to strengthen the evidence supporting the equivalent annual net cost to business, so that the RPC can validate the estimate at final stage.

**Signed**

A handwritten signature in black ink, appearing to read 'M Gibbons', with a long horizontal line extending to the right.

**Michael Gibbons, Chairman**