

Addition of flood defence consents regime to the environmental permitting regime

Department for Environment, Food and Rural Affairs

RPC rating: validated

Description of proposal

The proposal is to streamline the 'flood defence consent' permitting process for construction and maintenance work on or near waterways. The proposal will enable 'standard rules permits' for routine or straightforward work, make it more straightforward for a single consent/permit to apply to multiple works and expand the list of works exempted from requiring a permit.

Impacts of proposal

Based on Environment Agency data, the Department estimates that there will be around 5,000 applications a year to the Environment Agency or Natural Resources Wales (90% of which will be to the Environment Agency). Using industry estimates for the time involved and the Annual Survey of Hourly Earnings for wage rates, the Department estimates that currently each application costs the applicant around £1,000 to prepare and progress.

Following consultation with industry, the Department estimates that 20% of applications would be eligible for standard rules permits. Standard rules permits are expected to reduce the cost of pre-application meetings, reduce the cost of responding to queries and require fewer inspections. As more businesses become aware of the option to use standard rules, this is expected to result in an overall annual benefit to applicants of around £0.5 million a year by 2024 (a saving of around 40% per eligible application).

The proposal will also deliver benefits to business through aligning the guidance and application process for flood defence consents with the environmental permitting regime. The single simplified guidance is expected to save applicants around £0.25 million a year by 2024.

Expanding the scope of exempted activities, for example to include the erection of scaffolding for a single day, will enable more activities to proceed without a consent, provided the Environment Agency or Natural Resources Wales are notified. Following consultation, the Department expects 30% of applications will no longer need to go through the consent process. This is estimated to save applicants £1.5 million a year by 2024.

A study of a sample of applications suggests that around 65% of applicants are businesses. On this basis, the RPC is able to validate the Department's estimated equivalent annual net cost to business (EANCB) figure of -£1.35 million.

Quality of submission

The IA provides a detailed discussion of each element of the proposal, outlining the aspects that drive the costs and setting out any assumptions used. In doing so, the IA provides a clear narrative setting out how the estimates have been informed and changed by consultation responses. The IA also provides a detailed appraisal of the costs and benefits of the non-regulatory options that could achieve some of the objectives, providing a clear explanation for the preferred regulatory option.

As the measure is deregulatory, the Department was not required to provide a small and micro-business assessment. However, the Department has provided a qualitative discussion that explains how smaller businesses are likely to experience a proportionally more significant benefit from the reduced administrative burdens in comparison to larger companies that may be able to devote specific resources to regulatory issues.

Initial departmental assessment

Classification	OUT
Equivalent annual net cost to business (EANCB)	- £1.35 million
Business net present value	£14.8 million
Societal net present value	£18.1 million

RPC assessment

Classification	OUT
EANCB – RPC validated	- £1.35 million
Small and micro business assessment	Not required (deregulatory)



Michael Gibbons CBE, Chairman