 Regulatory Policy Committee	Validation of the One-in, Two-out Status and the Net Direct Impact on Business	
Validation Impact Assessment (IA)	Amendments to regulations governing the process for making changes to Development Consent Orders	
Lead Department/Agency	Department for Communities and Local Government	
IA Number	-	
Origin	Domestic	
Expected date of implementation	April 2015 (SNR 9)	
Date of Regulatory Triage Confirmation	29 July 2014	
Date submitted to RPC	26 February 2015	
Date of RPC Validation	13 April 2015	
RPC reference	RPC14-FT- CLG-2165(2)	
Departmental Assessment		
One-in, Two-out status	OUT	
Estimate of the Equivalent Annual Net Cost to Business (EANCB)	-£0.02 million	
RPC assessment	VALIDATED	
Summary RPC comments		
<p>The validation IA is fit for purpose. The Department has provided monetised impacts for only two elements of the proposals – one regulatory and one deregulatory. This is because the Development Consent regime is new and projects are just reaching the stage where changes might be needed. As a result the Department does not have enough evidence to monetise the impact of the other elements of the proposal. The netting off of the two elements provides an OUT of £0.02 million per year.</p> <p>On this basis, the Committee is able to validate the estimated EANCB.</p>		
Background (extracts from IA)		
<p>What is the problem under consideration? Why is government intervention necessary?</p> <p><i>“Nationally Significant Infrastructure Projects are granted planning consent through a Development Consent Order made under the Planning Act 2008. The size of such projects means that changes to Development Consent Orders are likely as projects are implemented, but the process for making changes is considered burdensome and disproportionate by</i></p>		

developers/business. Given the key importance of infrastructure for economic growth, the Government wants to provide more proportionate and streamlined procedures for making changes to Development Consent Orders. This can only be done by Government intervention as the procedures to make changes are set out in secondary legislation”.

What are the policy objectives and the intended effects?

“The policy objective is to provide simpler and more proportionate procedures for making changes to Development Consent Orders (DCOs) for nationally significant infrastructure projects. This will allow any applications for changes to consents required by developers during implementation to be expedited more quickly. This will bring benefits to developers by providing more certainty that any changes needed when implementing project may be consented more quickly than under the current legislation”.

RPC comments

The Department proposes to simplify the procedures governing significant (or “material”) and minor (or “non-material”) changes to the DCO process for nationally significant infrastructure projects. The policy package contains some areas that tighten requirements, mainly relating to non-material changes, and others that loosen requirements, mainly relating to material changes. We note that the existing arrangements for material changes require a full application for development consent process to be undertaken by business. Therefore, developers stand to benefit more from a streamlining of this process when compared to the elements of the proposals that tighten the process for non-material changes. Overall, therefore, the package of proposals appears to be of net benefit to developers. The IA would benefit from a deeper and broader discussion of the wider impacts of the proposals on the planning system beyond developers and the development consent process *per se*.

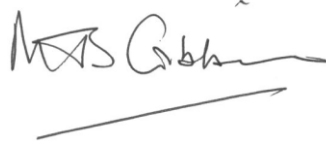
For the proposed amendments that will result in additional requirements governing non-material changes, the IA provides cost estimates for the element which will require developers – rather than the Secretary of State, as at present - to send out copies of the notice advertising the change to affected stakeholders in order to meet the duty to consult specified in the regulations. Assuming five change of consent applications come forward each year, one requiring 20,000 to be notified and four requiring 280 people to be notified, the IA estimates the impact on business to be £21,120 per annum using established notification costs of £1 per notification. The Department explains that the other elements of the changes to the process for non-material changes will either have no impact on business or the impacts will be minimal.

For the proposed amendments that will simplify the process governing material changes, developers are expected to benefit overall from greater certainty that consent decisions regarding changes needed during project implementation will be reached quickly. For the element removing the

requirement for developers to provide notification of a material change application by advertising in a national newspaper, the Department assumes that developers would, under current regulations, place two adverts, at a cost of £7,500 each. Assuming that there are three applications for material changes per year, the Department estimates that there will be a direct cost saving to businesses of £45,000 per annum. However, the Department has not provided monetised estimates for the other elements within this package. The IA explains that the regime “*is relatively new – the first project was only granted its Development Consent Order in 2011 – so projects are only just being implemented and reaching the stage at which changes to consents might be needed*” (page 6). As such, the Department explains that the lack of a reliable evidence base to provide a baseline of current costs and benefits for comparison against the changes has limited the level of analysis that has been possible. The IA would benefit from a more in-depth discussion of the scale of the challenges that have made the quantification of some of the identified impacts difficult.

On this basis, the Committee is able to validate the estimated EANCB.

Signed



Michael Gibbons, Chairman