
Permission in principle for brownfield registers

Department for Communities and Local Government

RPC rating: **validated**

Description of proposal

Identifying a suitable site is one of the first steps in the development process. Developers often need a level of certainty about whether a site is viable and suitable before they are willing to take a development proposal forward. Currently, the question of whether a site is suitable for housing is tested multiple times in the planning process. The Department believes that revisiting the question of suitability at different stages of the process is inefficient and the lack of certainty can discourage developers from taking some proposals forward. In order to address this, the measure enables local planning authorities to grant Permission in Principle (establishing upfront the principle of development) for housing development sites through brownfield registers. Under a separate proposal, local planning authorities will be required to publish and maintain a register for brownfield land suitable for housing by the end of 2017.

Impacts of proposal

The measure will allow businesses to avoid the costs associated with planning refusals. The Department estimates the typical costs of preparing and submitting a planning application to be £69,000 for major applications and £24,000 for minor applications¹. The Department estimates that 62 per cent of planning refusals are issued on the grounds that the site is unsuitable. Based on administrative data, DCLG estimates that there were approximately 800 major applications and 900 minor applications that were refused permission in 2015-16. Combining this with the 62 per cent assumption and the estimate (based on 2015-16 statistics) that 60 per cent of planning decisions are on brownfield sites, the Department estimates that 300 major applications and 350 minor applications will avoid this cost per annum. This results in an annual benefit to business of £27.9 million.

The IA also explains that the measure will result in an increase in land value as a result of an increase in the probability that planning permission will be granted. The Department estimates that 3,800 sites will benefit from Permission in Principle per

¹¹¹ Based on Arup research 2009 for DCLG

annum, based on historical data. Using the methodology set out in a previous IA², the Department estimates that this will generate a benefit to business of £8 million per annum.

Finally, the Department estimates that it will take one person in each of 6,000 developer companies half an hour to familiarise themselves with the new arrangements at a cost of £28.46 per hour. This results in a one-off cost to business of £0.1 million.

The RPC verifies the estimated equivalent annual net direct cost to business (EANDCB) of -£32.2 million. This is a qualifying regulatory provision that will score under the Business Impact Target.

Quality of submission

The Department has provided sufficient evidence – including evidence of its engagement with a broad range of stakeholders - to support its estimate of the impact of the measure. However, the IA would have benefited from presenting more convincing evidence to support DCLG’s assumption regarding the percentage of planning refusals (62%) that are for unsuitable sites.

Initial departmental assessment

Classification	Qualifying regulatory provision (OUT)
Equivalent annual net cost to business (EANCB)	-£32.2 million
Business net present value	£308.6 million
Societal net present value	£308.6 million

RPC assessment

Classification	Qualifying regulatory provision (OUT)
EANDCB – RPC validated ³	-£32.2 million
Business Impact Target (BIT) Score ¹	-£161.0 million

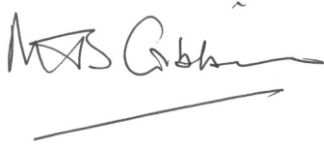
² Permitted development rights for the change of use of offices, light industrial buildings and launderettes

³ For reporting purposes, the RPC validates EANDCB and BIT score figures to the nearest £100,000.

Opinion: EANDCB validation
Origin: Domestic
RPC reference number: RPC15-CLG-3069(3)
Date of implementation: 2017

Small and micro business assessment

Not required (fast track)



Michael Gibbons CBE, Chairman