Planning and Infrastructure Bill

Impact Assessment

RPC Ref: RPC-MHCLG-25031-IA(1)

Contents

1. Introduction

1. Sustained economic growth is the only route to the improved prosperity that our country needs and the higher living standards working people deserve. Despite this, and as set out in our Plan for Change, the last Parliament was the worst for living standards in modern history, with incomes squeezed and growth stagnant. To reverse this, our planning regime needs decisive and urgent reform. Its failure has left us without the homes we need and without the key infrastructure we should be able to rely on: the time it takes to secure planning permission for major economic infrastructure projects has almost doubled in the last decade to more than four years; it is slower and more costly to build economic infrastructure in England than other major countries like France and Italy; and no new reservoir has been built in over 20 years.

2. The Planning and Infrastructure Bill is the next step to fix the foundations of our economy, rebuild Britain and make every part of our country better off. The Bill will support delivery of the Government's hugely ambitious Plan for Change milestones of building 1.5 million homes in England and fast-tracking 150 planning decisions on major economic infrastructure projects by the end of this Parliament. The Bill aims to fuel growth, speed up and streamline planning processes and ultimately accelerate the delivery of high quality infrastructure and housing. The Bill will also support delivery of the Government's Clean Power 2030 target by ensuring that key clean energy infrastructure is built as quickly as possible.

3. To do this, the Bill will:
   - Deliver a faster and more certain consenting process for critical infrastructure, including the energy infrastructure needed to deliver our Clean Power 2030 target;
   - Introduce a more strategic approach to nature recovery;
   - Improve certainty and decision-making in the planning system;
   - Unlock land and secure public value for large scale investment; and
   - Introduce effective new mechanisms for cross-boundary strategic planning.

4. The analysis set out in this document and accompanying annexes indicates that the Bill will achieve these aims and be a significant boost to businesses and households in the UK. Over the ten year appraisal period, the overall positive impact estimated on society is equivalent to £3.2 billion, with a potential high range of up to £7.5 billion. We expect this to significantly understate the impact of the combined measures in this Bill as there will be wider, un-monetised benefits such as the benefit to society from the quicker delivery of housing and infrastructure, and the macroeconomic contribution of increased development supported by the Bill.

5. Many of the measures in this Bill have been informed by extensive stakeholder engagement; responses to the Government's series of working papers on planning reforms covering Planning Committees, Development and Nature Recovery, and Critical Infrastructure Reforms; and various consultations and calls for evidence, including those covering compulsory purchase, sub-delegation of planning fees, Scottish electricity consenting, Judicial Review and Nationally Significant Infrastructure Projects; and electric vehicle chargepoint rollout.

6. As set out in this impact assessment, the Government has produced a comprehensive analysis of the measures within the Planning and Infrastructure Bill including an assessment of the impacts on households and businesses (including micro and small businesses). Our assessment of the impacts is summarised in this document and supported by the detailed analysis for each in scope Bill measure, or group of measures, set out in the accompanying annexes.

7. Problem analysis, the rationale for Government intervention and the objectives of the Bill are set out in Sections 3, 4 and 5. A description of the options considered, including the consequences of failing to intervene, is set out in Section 6. Section 7 summarises the impact of Bill measures both thematically by headline Bill objective and sectorally. The impact of the Bill will be monitored through a comprehensive monitoring and evaluation programme set out in Section 8. A number of measures in this Bill fall outside the scope of this impact assessment as per the principles set out in the Better Regulations Framework - a full list of these measures along with the rationale for their exclusion is set out in Section 11.

8. The reforms in this Bill come alongside wider action to get Britain building again, including:
    - Ending the *de facto* ban on new onshore wind in England;
    - Pro-growth changes to the National Planning Policy Framework implemented in December 2024;
    - Supporting local authorities with 300 additional planning officers across the country;
    - Greater intervention in the planning system with the benefit of development as a central consideration;
    - Identifying and building the next generation of new towns, including major urban extensions;
    - Providing councils and housing associations with the long-term rent certainty and capital investment they need to deliver the biggest boost to new social and affordable homes for a generation;
    - Updating relevant National Policy Statements within a year and establishing a ten-year infrastructure strategy to give investors and the supply chain the long-term certainty needed to underpin investment. Alongside this, we will establish the National Infrastructure and Service Transformation Authority as an authoritative voice at the centre of Government to drive forward delivery.

2. Regulatory scorecard for the preferred option

2.1 Part A: Overall and stakeholder impacts

(1) Overall impacts on total welfare		Directional rating
Description of overall expected impact	The reforms in the Planning and Infrastructure Bill are expected to contribute to achieving economic growth alongside delivering more homes and infrastructure. This will be delivered by reducing barriers and costs to business (primarily developers) in the planning system. The largest monetised direct impact is the reduction in costs associated with delays in the planning system. Several significant indirect impacts are also monetised (including constraint cost savings relating to reforms of electricity infrastructure consenting). *A scorecard for each measure in scope is included at the start of each annex.*	**Positive**
Monetised impacts	We calculate a Net Present Social Value (NPSV) in 2025 prices with 2026 base year across the 10-year appraisal period 2026-35. We estimate a central impact of **£3.2 billion.** For many measures in the Bill, additional detail related to their implementation will be finalised during or following this primary legislation stage. This is reflected in a very large range in NPSV **(Low: £1.3 billion & High: £7.5 billion).** The largest monetised impacts (NPSV), aggregated across several measures, are reported below for the central scenario. *Direct benefits:* • Reduction in costs associated with delays (to business): £2.1 billion • Various forms of planning cost savings (to business): £157 million • Appeal/dispute cost savings (to business): £46 million *Indirect benefits:* • Constraint cost savings (to business and households): £1.5 billion • Emissions savings (to society): £147 million *Direct costs:* • Costs of producing strategic plans (to public sector): £101 million *Indirect costs:* • Earlier network investment (to business): £777 million	**Positive**
Non-monetised impacts	We expect there to be significant further time and cost savings delivered by the reforms. We expect the total NPSV to significantly understate the impact of the combined measures included in this Bill. For example, it has not been possible to monetise several of the wider impacts of the Bill: • The wider indirect but consequential benefit to society from the earlier delivery of infrastructure and housing – including indirect positive impacts on areas of people's lives such as health and employment. • The macroeconomic contribution of increased development facilitated by measures in the Bill.	**Positive**
Any significant or adverse distributional impacts?	There are no identified distributional impacts beyond those to businesses, households and local authorities referenced below.	**Neutral**

(2) Expected impacts on businesses		
Description of overall business impact	The overall impact on business is positive. As set out below, we expect there to be significant direct monetised benefits to business in the form of reduction in costs associated with delays, planning cost savings and appeal/dispute cost savings. However, there are also expected to be significant benefits to business that we have not been able to monetise for this primary legislation stage Impact Assessment. Consequently, we expect the total NPBV to understate the positive impact to business of the measures included in this bill.	**Positive**
Monetised impacts	We identify a **Net Present Business Value (NPBV)** of **£2.1 billion** (in 2025 prices with 2026 base year). We estimate that **Equivalent Annual Net Direct Cost to Business is -£273 million** (a negative cost indicates this is a positive direct impact to business). *Direct benefits:* • Reduction in costs associated with delays (to business): £2.1 billion • Various forms of planning cost savings (to business): £157 million • Appeal/dispute cost savings (to business): (to business): £46 million There are significant indirect impacts to business that are captured in the NPSV and NPBV but not the EANDCB. Specifically, £1 billion (65%) of the constraint cost savings are expected to accrue to business from reforms to Scottish electricity infrastructure consenting. This indirect impact is somewhat offset by a significant indirect cost to businesses of the costs of earlier network investment (£777 million). In addition to the significant contributors to the NPBV that are highlighted above, planning fees sub-delegation is expected to yield a significant transfer from business (and households) to Local Planning Authorities (LPAs). Across the appraisal period, the present value of this transfer from businesses to LPAs is £515 million (negative to business, positive to LPAs). This offsets some of the other positive monetised impact to business. However, better funded LPAs are expected to deliver better quality planning decisions which in turn will benefit developers. The monetised impacts associated with planning fees sub-delegation are included in the NPBV (and NPHV) but not in the EANDCB.[1]	**Positive**
Non-monetised impacts	This Impact Assessment has primarily focused on monetising direct benefits and costs to business. Indirect impacts to business have been monetised where data availability has readily allowed this. We expect the total NPSV to understate the impact of the combined measures included in this Bill. For example, it has not been possible to monetise at this primary legislation stage: • Some of the positive impacts relating to the Nationally Significant Infrastructure Project reforms. These include impacts relating to the system (fewer reworks in planning applications and related documents) and the indirect benefit of earlier delivery of infrastructure (e.g. environmental benefits from more energy generation infrastructure). • The benefits of the Long Duration Electricity Storage Reforms (LDES) measure and the reforms to grid connection processes. • The benefits of the Nature Restoration Fund (NRF) across environmental obligations other than those associated with discharging nutrient neutrality obligations, reflecting the Government's stated intention to implement the NRF for these obligations first. • The benefits of strategic planning measures. Only the costs to the public sector of producing the plans and familiarisation costs have been monetised.	**Positive**
Any significant or adverse distributional impacts?	<u>Small, micro and medium businesses</u> We expect the package of measures as a whole to be beneficial for small, micro and medium businesses. Smaller businesses are less resourced to deal with delays and the costs of appeal/disputes in the planning system than larger businesses. Consequently, when smaller businesses do experience delays, they are disproportionately burdened by	**Positive**

[1] Fees measures are not typically in scope of the Better Regulation Framework (BRF), but as this measure relates to powers to change fees, we have included it in this Impact Assessment. However, in line with the BRF, the impact of this measure is not included in the EANDCB or EANDCH.

	them. As these reforms reduce delays and costs in the planning system, we expect small, micro and medium businesses to benefit. However, we also know larger developers bring forward the majority of residential development and almost all infrastructure development. As a result, we expect the majority of the impact to accrue to larger businesses. For the two measures (planning fees sub-delegation and bill discounts) that may impose direct costs (beyond familiarisation costs) to business, we do not consider it appropriate to exclude Small, Micro and Medium businesses as doing so would undermine the objectives of these measures. More detail is set out in the SMB section below and in the annexes relating to these measures. <u>Geographical distribution of impacts</u> Three measures have impacts that are geographically distributed: • Reforms to Scottish consenting is expected to yield benefits primarily to Scotland. • Bill discounts involves a transfer that is expected to yield benefits in areas hosting new transmission infrastructure (primarily rural areas to transport electricity from areas of generation to areas of demand). • The NRF is expected to deliver benefits to areas where environmental obligations apply (for example, nutrient neutrality catchment areas).	

(3) Expected impacts on households		
Description of overall household impact	The overall expected impact on households is positive. While the monetised impact is negative (driven by the transfer from households to LPAs in relation to planning fees sub-delegation), there are significant non-monetised positive impacts to households (more effective planning services and more houses, helping improve housing affordability) .	**Positive**
Monetised impacts	Our monetised estimate of the impact of the Bill as a whole on households is based on two measures: higher planning fees for households from planning fees sub-delegation[2] and the constraint cost savings from the reforms to Scottish electricity infrastructure consenting. As with businesses, there is a direct cost to households in the form of a transfer from households to LPAs (as LPAs are expected to respond to the planning fees sub-delegation by raising some planning fees). The present value of this transfer is £602m (negative to households, positive to LPAs). However, this is not included in the EANDCH.[3] A share (35%) of the indirect monetised benefit of constraint cost savings delivered by Reforms to Scottish Consenting (~£540m) is expected to accrue to households. This offsets some of the negative NPV from the planning fees measure, but as it is indirect, it does not affect the EANDCH. **Household NPV: -£62m** **EANDCH: £0m** We do not expect any direct pass through from businesses to households for planning fees, or other measures.	**Negative**
Non-monetised impacts	Several measures are expected to have positive impacts on households that are not captured in the monetised household NPV. Bill discounts, which involve a transfer from electricity consumers to a subset of households near electricity transmission network infrastructure are expected to have a	**Positive**

[2] Monetised scenario analysis has been conducted for Bill Discounts, but is considered too uncertain to include in the main estimate of the Bill's impacts. The scenario analysis is provided in the Bill Discounts annex.
[3] Fees measures are not typically in scope of the Better Regulation Framework, but as this measure relates to powers to change fees, we have included it in this Impact Assessment. However, in line with the BRF, the impact of this measure is not included in the EANDCB or EANDCH.

	positive impact on households overall, though many households are expected to pay marginally more. This transfer is expected to improve community acceptability of transmission network infrastructure which may lead to earlier network investment, reducing constraint costs for households (and businesses). Further detail on the design of the bill discounts measure will be associated with implementation beyond the primary legislative phase, so we do not include estimates of monetised impacts in the summary of the bill as a whole. Scenario analysis is included in the bill discount annex. More generally, reforms to the planning system and increased certainty in decision-making are likely to improve both delivery of housing and infrastructure. By reducing costs to developers, we expect the Bill will facilitate the delivery of wider benefits to households. For example, infrastructure reforms may contribute to improved connectivity, and measures that streamline planning processes may have localised impacts on house prices, housing availability and reductions in overcrowding and homelessness.	
Any significant or adverse distributional impacts?	We have not identified distributional impacts relating to households beyond the bill discounts measures. This involves a transfer from all electricity consumers to those living near electricity transmission infrastructure to compensate for the negative externality of living near transmission infrastructure. This is likely to benefit more rural areas, where new transmission infrastructure will primarily be hosted to transport electricity from areas of generation to areas of demand. More detail is included in the bill discount annex.	**Neutral**

2.2 Part B: Impacts on wider Government priorities

Category	Description of impact	Directional rating
Business environment: Does the measure impact on the ease of doing business in the UK?	All measures are expected to have a positive effect on UK businesses, creating a favourable business environment. Planning reforms increase certainty for businesses in securing planning permissions.	**May work for**
International Considerations: Does the measure support international trade and investment?	No measures are expected to directly impact trade. By improving the business environment (as set out above), some measures may contribute to increased international investment. To some extent, this is offset by imported materials required for the construction of additional infrastructure and housing.	**May work for**
Natural capital & Decarbonisation: Does the measure support commitments to improve the environment and decarbonise?	We expect most measures in the Bill will support positive environmental outcomes: • Various measures relating to electricity infrastructure are expected to support further development of renewable energy. The reforms to Scottish consenting of electricity infrastructure are estimated to deliver £147 million in monetised carbon savings in the central scenario. The introduction of bill discounts is expected to lead to the more electricity transmission infrastructure, leading to further emissions savings. • The introduction of the Nature Restoration Fund is expected to deliver improved environmental outcomes while also reducing delays in discharging environmental obligations. • The measure relating to Electric Vehicle (EV) ChargePoint operators is expected to support the roll out of EVs, which may indirectly reduce emissions. To some extent, this is offset by the embodied carbon and emissions associated with the earlier completion of infrastructure projects (e.g. roads), residential development and commercial development. Most of this impact is likely to relate to infrastructure projects (through NSIP reforms). Our analysis of NSIP reforms does not go into detail on the specific projects that will be affected by the reforms.	**Uncertain**

	Consequently, we have not been able to quantify these impacts for this Impact Assessment. This makes it challenging to compare to other impacts, so we score this overall impact as uncertain.	

2.3 Summary: Analysis and evidence

Price base year: 2025

PV base year: 2026

	Business as usual (baseline)	Preferred way forward (if not do-minimum)
Net present social value (with brief description, including ranges, of individual costs and benefits)	Used as baseline for the analysis.	Our central NPSV is +£3.2 billion over the ten-year appraisal period (2025 prices and 2026 present value base year). For many measures in the Bill, additional detail related to their implementation will be finalised during or following this primary legislation stage. This is reflected in a large range in NPSV (Low: £1.3 billion & High: £7.5 billion). Where possible we have produced monetised estimates of the impact of legislation covering both primary and secondary legislation (though this has not been possible for all measures). The largest monetised impacts (NPSV), aggregated across several measures, are reported below. *Direct benefits:* • Reduction in costs associated with delays (to business): £2.1 billion • Various forms of planning cost savings (to business): £157 million • Appeal/dispute cost savings (to business): (to business): £46 million *Indirect benefits:* • Constraint cost savings (to business and households): £1.5 billion • Emissions savings (to society): £147 million *Direct costs:* • Costs of producing strategic plans (to public sector): £101 million *Indirect costs:* • Earlier network investment (to business): £777 million
Public sector financial costs (with brief description, including ranges)	Used as baseline for the analysis.	The largest individual benefit to the public sector is a transfer from households and businesses to LPAs as a result of changes in planning fees. This has a present value of £1.1 billion (but is captured as an equal offsetting direct cost to businesses and households). Allowing LPAs to move to cost-recovery for planning fees, will ensure they are better resourced to deliver a more effective planning system. This may reduce delays and associated costs, such as holding costs for land and financing, which can result in significant long-term savings for businesses. There are also expected to be benefits to the public sector in the form of reductions in costs related to appeals, judicial reviews and consultations. These benefits are partially offset by the costs to LPAs of producing strategic plans (NPV of -£101m).
Significant un-quantified benefits and costs (description, with scale where possible)	Used as baseline for the analysis.	We expect there to be significant further time and cost savings delivered by the reforms. We expect the total NPSV to understate the impact of the combined measures included in this Bill. For example: • It has not been possible to monetise several impacts relating to the NSIP reforms. These include impacts relating to the system (improved fewer reworks in planning applications) and the benefit of earlier delivery of infrastructure (e.g. environmental benefits from more energy generation infrastructure). • The benefits of the Long Duration Energy Storage Reforms and Connections Reforms measures are not monetised at this primary legislation stage. • The Nature Restoration Fund is expected is expected to yield benefits across several environmental obligations. However, uncertainty over which types of

		obligation the NRF will cover and data availability means only a subset of benefits associated with discharging nutrient neutrality obligations have been estimated. • The benefits of Strategic Planning measures are not monetised at this primary legislation stage. Only the public sector costs of producing the plans are monetised.
Key risks (and risk costs, and optimism bias, where relevant)	Used as baseline for the analysis.	NSIP reforms are the largest source of monetised benefits in this Bill. The main risks to the delivery of these benefits arise from the changes being poorly understood or implemented resulting in delays to development of infrastructure proposals and greater uncertainty for infrastructure developers and investors.
Results of sensitivity analysis	Used as baseline for the analysis.	A large range of uncertainty is reflected in our low and high scenarios. However, for measures that have impacts related to the number of planning applications, we also consider a trajectory for how residential development may increase. In our core analysis, we use a baseline trajectory for residential planning applications aligned to the OBR's October 2024 forecast of net additions. These projections do not take account of the reforms the Government is making, including to the planning system via changes to the National Planning Policy Framework, to achieve its manifesto commitment of delivering 1.5m houses over the parliament. As a result, we expect the impacts associated with the OBR trajectory to be an under-estimate of the true impact of the measures in the Bill. We have also considered a trajectory that is aligned to the delivery of 1.5 million homes this Parliament. In this trajectory, the total NPSV is £588m higher, as there are more residential planning applications that benefit from reductions in costs associated with delays and appeals, and the NPSV for the Bill as a whole rises to £3.7 billion.

3. Problem under consideration

9. The Bill is a key part of the Government's commitment to rebuild Britain and kickstart economic growth. The Plan for Change sets out our mission to deliver new homes and the critical infrastructure that underpins economic growth, which has been held back by the failures of the planning regime. These failures mean that homeownership has become an increasingly distant dream for too many working people. Rising numbers of people have been unable to buy a home of their own: since 1990, homeownership for 19 to 29 year-olds has more than halved[4]. Last year, homebuilding was falling and the number of homes granted planning permission has also fallen significantly – from 325,000 (in the year to 2021 Q3) down to 239,000 (in the year to 2024 Q3)[5]. The lack of housing supply and responsiveness of the planning system over a sustained period have led to the average home costing eight times the annual earnings of an average worker[6]. Issues with the planning system also have a detrimental impact on commercial planning applications which are generally consented under the same regime as residential development.

10. Britain also has insufficient levels of other key infrastructure that we should be able to rely on, from transport services to energy generation. It is slower and more costly to build economic infrastructure in England than other major countries like France and Italy – infrastructure costs have increased by 30% more than GDP per capita since 2007.[7] The time it takes to secure planning permission for major economic infrastructure projects has almost doubled in the last decade to more than four years.[8] This also means that the planning system is not working at the pace needed to meet our target for clean power by 2030.

11. These overarching problems have been caused by a series of more focused issues that the regulatory provisions detailed in this Regulatory Impact Assessment consider and seek to address. These include:
    - **The level at which plans and decisions are made.** Planning is predominantly done at a district level, c.90% of decisions are made by officers and the rest are made by planning committees[9]. In planning committees, too much time can be spent on applications which are compliant with the local plan and there are instances where development is rejected by planning committees against officer advice only to be overturned on appeal. This delays or even prohibits development and wastes taxpayers' money.
    - **Growing timescales for decision making and a lack of capacity in the system.** Only 20% of applications for major residential development meet statutory deadlines (13 weeks) and just under 50% of applications for non-major meet statutory deadlines (eight weeks)[10]. This is an issue across England, with only 1% of Local Planning Authorities

[4] Kickstarting Economic Growth - GOV.UK
[5] Planning applications in England: July to September 2024 - statistical release - GOV.UK
[6] Housing affordability in England and Wales - Office for National Statistics
[7] NIC (2024), Cost drivers of major infrastructure projects
[8] Nationally Significant Infrastructure: action plan for reforms to the planning process - GOV.UK
[9] Planning Committee scheme of delegation | Local Government Association
[10] Planning applications in England: July to September 2024 - statistical release - GOV.UK

determining more than 60% of major applications within the 13 week period.[11] This is driven by a lack of capacity and experienced planners in Local Planning Authorities – the RTPI estimates that 25% of planning officers left the public sector between 2013 and 2020 and 75% of local authority respondents identified staffing shortages as the main cause of delays in the planning process in response to a HBF survey[12]. For infrastructure, there has been an increase in the average time it takes for a case to reach a decision – between 2012 and 2021 the timespan for a Development Consent Order increased by 65%, from 2.6 years to 4.2 years[13]. Without reform, these issues risk being exacerbated by the large number of infrastructure projects and planning applications that are expected over the next few years to deliver the Government's Plan for Change milestones.

- **Increase in document volumes and increased risk of legal challenge for critical infrastructure projects.** Some applications are now generating over 90,000 pages of documentation which complicates and overwhelms the system. The rate of judicial review on Development Consent Order applications has spiked in recent years to 58% from a long term average of 10%, with over 30 judicial reviews started and four Development Consent Orders quashed for the first time in 2021[14].
- **Environmental regulations that require site by site mitigation.** Currently, developers may be required to go through a lengthy and detailed process to secure mitigation for environmental harm before being granted planning permission. This adds cost, delays and can entirely block the housing and infrastructure the country needs if mitigation is not possible or too costly – with rules too focused on preserving the status quo instead of supporting growth and charting a course to nature recovery.
- **Lack of strategic planning.** With the exception of London, the current development plan system depends on individual authorities cooperating with one another on local plans. This approach means that planning in England is undertaken on too local a scale and is less likely to result in optimal use of land, for example relative to wider strategic infrastructure requirements, and leaves Mayors outside of London with an inability to intervene in planning applications of potential strategic importance.
- **Overly lengthy and complex processes.** There is evidence of disproportionate approaches to consultation for major infrastructure projects. This has led to statutory pre-application periods increasing from 20 months in 2018 to 28 months in 2021[15]. Post consent processes are also restrictive and burdensome, causing increased administrative costs and further unnecessary delays to projects being delivered. Ultimately, longer processes lead to increased resource costs for developers alongside delaying the benefits of infrastructure for the wider public.
- **Limited ability to adapt to reflect strategic Government priorities.** The Nationally Significant Infrastructure Projects regime is rigid and unable to sufficiently adapt to changing circumstances and Government priorities, such as Clean Power 2030.

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[11] An accelerated planning system - GOV.UK
[12] RTPI | State of the Profession 2023 Planning delays and rising costs crippling SME housebuilders
[13] Nationally Significant Infrastructure: action plan for reforms to the planning process - GOV.UK
[14] NIC-Planning-Study-Final-Report.pdf
[15] MHCLG analysis, based on historic DCO applications and Planning Inspectorate data

12. These issues in the planning system make housing and infrastructure cost more than they should, ultimately contributing to real-world costs for households and businesses such as increased energy bills, longer commuting times and unaffordable housing.

13. The Bill is part of our plan to change this by fast-tracking infrastructure delivery and home building, and creating a climate that makes it more appealing for businesses to invest. It will also accelerate the delivery of the infrastructure we need to maintain a secure and affordable energy supply, create new industries and investments around the country, and protect the environment from some of the most damaging effects of climate change. The measures in the Bill will deliver a faster and more certain consenting process for infrastructure, introduce a more strategic approach to nature recovery, improve certainty and decision-making in the planning system, unlock land and secure public value for large scale investment and, finally, create new mechanisms for cross-boundary strategic planning.

4. The rationale for Government intervention

14. The overarching rational for intervention is to ensure that we have a planning regime that can deliver the homes and infrastructure the country needs, without imposing disproportionate costs on business. Delivering the scale of change needed to tackle the housing crisis and build the critical infrastructure that underpins economic growth requires a comprehensive Government response, including regulatory action. The planning regime is also regulatory in nature and is governed by tens of Acts of Parliament. Failings in the current regulatory framework must be addressed, alongside tackling areas of market failure. The specific rationale for intervention varies across the measures in the Bill. The rationale for intervention specific to each policy is contained in the individual impact assessments annexed to this document.

15. The measures in this Bill are primarily about improving existing regulation to streamline the consenting processes for housing and critical infrastructure. This can only be achieved through primary legislation and includes:
    - Changes to the Nationally Significant Infrastructure Projects regime governed by the Planning Act 2008 to speed up the delivery of critical infrastructure.
    - Improvements to the Scottish consenting regime for electricity infrastructure covered by the Electricity Act 1989.
    - Changes to processes in the Town and Country Planning Act 1990 to improve certainty and decision-making in the planning system.
    - Reforms to the Transport and Works Act 1992 and Highways Act 1980 to speed up the delivery of rail and road infrastructure.

16. Alongside these streamlining measures the Bill will also address market failures that are impacting our ability to deliver new homes and infrastructure, particularly the infrastructure needed for our Clean Power 2030 mission:
    - **Equity considerations:** High house prices in many areas of the country are pricing people out of home ownership – this is particularly acute for young people as demonstrated by falling homeownership rates amongst 19 to 29 year-olds. Housing unaffordability is linked to supply constraints and a failure of successive governments to deliver enough housing, which stems partly from the operation of the planning system. This leads to tangible inequities such as housing costs – private renters spend nearly a third (32%) of their household income on housing costs compared to only 18% for mortgagors.[16] There are also less tangible inequities of being unable to buy a home - the 2022/23 English Housing Survey found that owner occupiers have higher scores for life satisfaction, thinking life is worthwhile, and happiness as well as lower scores for anxiety versus those who live in other housing tenures.[17] Alongside wider Government action, several measures in this Bill will support and accelerate housing supply and therefore relate to equity considerations.

[16] English Housing Survey 2022 to 2023: affordability and cost of living - fact sheet - GOV.UK
[17] Chapter 6: Well-being and loneliness - GOV.UK

- **Barriers to entry:** Major infrastructure projects and housing development require high upfront capital and time investment from developers. In some sectors, high barriers to entry, combined with uncertain and lengthy return timelines, lead to a lack of investment – for example, there has been no Long Duration Electricity Storage (LDES) project developed in the UK for over 40 years due to investment barriers. Measures in the Bill that seek to improve certainty and reduce risk, such as the LDES cap and floor scheme, electricity bill discounts and the Nature Restoration Fund, will help to address this market failure.
- **Asymmetrical market power:** Driven also by barriers to entry, the housing market features a handful of very big companies that are responsible for most new building – Britain's 11 largest housebuilders deliver around 40% of new homes[18]. The streamlining and certainty measures in this Bill will help all companies, including SME developers. Throughout the impact assessment annexes, an assessment is made of the specific impacts that will be felt by small and micro businesses.
- **Negative externalities:** The Government is taking wide-ranging action to decarbonise the power sector and correct the negative externality of emissions. In the absence of intervention, energy from fossil fuel sources will be over-produced because the private cost of their provision is lower than the social cost, which includes emissions costs borne by wider society. Measures in the Bill, including electricity bill discounts, LDES, Scottish electricity consenting reforms and electricity network connections reform will increase the Government's ability to deliver the infrastructure needed to realise clean power by 2030. The Nature Restoration Fund will also support initiatives that amplify positive externalities generated by conservation and restoration activities such as improved water quality and flood resilience, increased carbon storage and sequestration, and enhanced recreational opportunities – thereby improving public welfare.
- **Coordination Failure:** The status quo leads to fragmented efforts and suboptimal resource allocation, which impedes efficient environmental improvements. The Nature Restoration Fund will address this coordination failure by centralising funding and strategic planning, ensuring a cohesive approach to nature restoration. This centralisation enables the pooling of resources and expertise, leading to more effective and large-scale environmental outcomes.

17. There is a risk that without Government intervention and changes to the statute book that the planning system continues to act as a major brake on economic growth and fails to deliver the housing and economic infrastructure that the country needs.

[18] Summary of housebuilding final report

5. Objectives of the Bill

18. The Planning and Infrastructure Bill contributes to two of the Government's five key missions – kickstarting economic growth and making Britain a clean energy superpower. The Bill aims to fuel growth, speed up and streamline the planning process to build more homes of all tenures, and accelerate the delivery of major infrastructure projects. This will support delivery of a clean power system by 2030; and help Government fast-track decisions on at least 150 major economic infrastructure projects and build 1.5 million new homes this Parliament.

19. The Bill has five overarching objectives:

- **Delivering a faster and more certain consenting process for infrastructure.** A failure to build enough infrastructure is constraining economic growth and threatening our climate targets and energy security. Upgrading the country's major economic infrastructure – including our roads, public transport links, energy and water supplies – is essential to delivering basic services and growing the economy. The Bill will make it quicker and easier to get shovels in the ground for the critical infrastructure projects that we need to deliver clean energy and economic growth. The Bill will also improve and streamline the under-lying consenting processes and make sure that the system is more strategic and can adapt to our current and future demands.

- **Introducing a more strategic approach to nature recovery**. The current system fails to deliver the homes that we need or support the wider environmental benefits that development can bring because it focuses too heavily on individual sites. Changes delivered through the Bill will mean that developers can avoid burdensome assessments - so that money previously spent on paperwork can be spent on nature instead – driving up environmental outcomes and creating a win-win for both nature and the economy.

- **Improving certainty and decision-making in the planning system.** Local authorities have not been adequately equipped to deliver a predictable service to developers and investors. The Bill will make changes to ensure that planning committees play their proper role in scrutinising development without obstructing it, whilst maximising the use of experienced professional planners. Our changes to planning fees will ensure that local planning authorities have the resources they need to deliver an efficient service. More certainty will also be given to offshore wind farm developers when transferring their offshore wind transmission assets to an independent offshore transmission owner (OFTO) under the offshore transmission regime.

- **Unlocking land and securing public value for large scale investment.** One of the Government's objectives is to enable more effective land assembly by public sector bodies that will speed-up and lower the costs of the delivery of housing and critical infrastructure in the public interest. The Bill will ensure that compensation paid to landowners through the compulsory purchase order process is fair but not excessive, and that development corporations can operate effectively. This will unlock more sites for development, enable more effective land assembly and get more housing delivered.

- **Introducing effective new mechanisms for cross-boundary strategic planning**. We cannot meet housing need without planning for growth on a larger than local scale. The Bill will enable areas to take a strategic approach, unlocking growth and supporting better alignment of infrastructure and housing.

20. Each measure in the Bill supports one of these objectives and individual measure annexes identify a SMART policy objective.

6. Description of options

6.1 The baseline option

21. The ‘do nothing’ option would not sufficiently support the Government’s mission of rebuilding Britain by delivering the new homes and the critical infrastructure that underpin economic growth. Inaction would retain the status quo planning system that is increasingly outdated, slow and costly and fails to deliver the infrastructure and housing the country needs. In particular:

- **Provision of infrastructure would continue to lag behind need:** The Government has pledged to fast track determination of at least 150 major economic infrastructure projects in this Parliament, more than the total number of decisions made since 2011. Without reform the NSIP system will continue to impose significant costs and delays to these projects. This will also hinder housing delivery where lack of infrastructure constrains supply – for example, England has not built a new reservoir in nearly 30 years and some key cities such as Cambridge are facing significant water scarcity issues hindering expansion.

- **The Government’s commitment to clean power by 2030 and wider energy aims would be at risk:** Several measures in the Bill such as LDES, electricity bill discounts, electricity network connections reform and Scottish consenting reform are critical to delivery of Clean Power 2030.

- **Consenting processes would remain lengthy, onerous and uncertain:** The streamlining and certainty measures delivered through this Bill are needed to accelerate delivery, increase investment and reduce costs.

- **Capacity issues in the planning system would not be addressed:** A lack of capacity and resource at Local Planning Authorities delays decision-making and as a result delivery of housing.

- **The current system of discharging environmental obligations would continue to hinder delivery of housing and infrastructure and fail to capitalise on improving environmental outcomes:** Developers would continue to follow a lengthy and detailed process to secure mitigation for environmental harm before being granted planning permission, and where this could not be secured they would not be in a position to proceed at all.

6.2 Non-legislative

22. The planning regimes for both residential and commercial development, and critical infrastructure are already heavily regulated by requirements set out in primary and secondary legislation – as such, the shortcomings in the system are largely driven by Government failure. Tackling this therefore requires rolling back or improving existing regulations. It is also the case that the scale of the challenge facing the Government and the level of change we are seeking to achieve through our missions and Plan for Change milestones is such that there is not a credible non-legislative option that would meet the Bill’s policy objectives and the Government’s wider aims to build 1.5 million new homes and fast-track determination of 150 economic

infrastructure projects by the end of this Parliament. Concerted Government action through both legislative and non-legislative routes is required to deliver our objectives. Measures in the Bill will come alongside non-legislative interventions, including:

- Pro-growth changes to the National Planning Policy Framework, published in December 2024;
- A 12 month review of key National Policy Statements (NPS) to ensure that they are up to date - previous non-legislative reforms to NPSs have failed to deliver consistently clear and up to date NPSs which is why we are combining with primary legislation;
- Ending the effective ban on onshore wind in England;
- Better enabling data centres, gigafactories and laboratories to be directed into the NSIP regime;
- Committing to publish a ten-year infrastructure strategy alongside the Spending Review in June 2025;
- Non-legislative measures in the Clean Power Action Plan; and
- Additional funding for Councils to improve capacity and resourcing in planning departments.

23. In some cases, non-legislative routes have been attempted but have lacked the necessary legal certainty to secure the intended objectives, for example:
    - Previous attempts to address the impact that nutrient neutrality has on development. However, given the structure of underlying obligations, this has not been capable of providing the necessary legal certainty to shift to the more strategic approach that this Bill will deliver. Moreover, the Nature Restoration Fund will make it easier to quickly address similar environmental challenges that hinder development in the future.
    - Planning fees can be varied at a national level under existing legislation, but this has failed to account for local variations in the costs of running development management services in difference Local Planning Authorities in England, which reflect differing local geographies. The only way of allowing LPAs to vary or set their own fees to tackle this is through amending primary powers in the Town and Country Planning Act 1990.

24. Consideration of ‘do nothing’ and ‘non-legislative’ options has also been considered on a measure by measure basis and is set out in individual impact assessment annexes.

7. Impact of Bill measures

25. This section estimates the qualitative and quantitative impacts of the measures in the Bill. Many of the measures will require supporting secondary legislation to set out more fully how they will operate, which will be subject to its own consultation, scrutiny and assessment. This imposes limits on how fully the potential impacts can be assessed at this stage therefore the analysis focuses on the impacts of primary legislation. Where we have knowledge of the regulations that will follow, we have described the anticipated impacts that may occur.

Table 1: Overview of monetised costs and benefits of measures in scope (in 2025 prices and 2026 Present Value across the ten-year appraisal period)

Bill measure	Annex Number	Impact felt through primary or secondary	Total Benefits (PV)	Total Costs (PV)	NPSV	EANDCB	EANDCH
Delivering a faster and more certain consenting process for infrastructure							
NSIP reform[19]	1.1	Primary	£884m to £2,947m (Central: £1,428m)	0	£884m to £2,947m (Central: £1,428m)	-£166m	0
Electricity network connections	1.2	Secondary	Qualitative	Qualitative	Qualitative	Qualitative	Qualitative
Scottish electricity infrastructure consenting	1.3	Primary (and secondary)	£790m to £3,341m (Central: £1,692m)	£417m to £1,140m (Central: £778m)	£373m to £2,201m[20] (Central: £913m)	-£0.4m	0
Offshore transmission owner regime	1.4	Primary	< £0.1m	< £0.1m	< £0.1m	< £0.1m	0
Long Duration Energy Storage	1.5	Primary	0	£9m to £19m (Central: -£14m)	-£9m to -£19m[21] (Central: -£14m)	< £0.1m	0
Electricity Bill discounts[22]	1.6	Secondary	Scenario analysis only	Scenario analysis only	Scenario analysis only	Scenario analysis only	Scenario analysis only
Electric Vehicle ChargePoints	1.7	Primary	£6m to £16m (Central: £8m)	£0.4m to £0.5m (Central: £0.4m)	£5m to £15m (Central: £8m)	-£0.8m	0
Transport and Works Act	1.8	Primary	Qualitative	Qualitative	Qualitative	Qualitative	Qualitative
Highways Act	1.9	Primary	Qualitative	Qualitative	Qualitative	Qualitative	Qualitative

19 Multiple measures including: DCO consultation requirements, DCO redirection, Guidance-making and Judicial Review.

20 For this measure, the low scenario NPSV is calculated as the difference between the present value of the low scenario benefits and the low scenario costs. The high scenario NPSV is calculated as the difference between the high scenario benefits and high scenario costs. This bespoke treatment is to ensure analytical consistency between scenarios.

21 This is negative as only scheme familiarisation, application and ongoing compliance costs have been monetised in this Impact Assessment.

22 Estimates of scenarios are included in the Bill Discounts annex. However, they are illustrative scenarios and do not relate to a preferred options, so they are not included in the main summary metrics.

Introducing a more strategic approach to nature recovery								
Nature Restoration Fund	2.1	Secondary	£87m to £1,057m (Central: £408m)	£0.1m	£86m to £1,057m[23] (Central: £408m)	-£47m	0	
Improving certainty and decision-making in the planning system								
Planning fees sub-delegation	3.1	Secondary	£1,161m (a transfer)	£1,161m (a transfer)	0 (a transfer)	Not applicable	Not applicable	
Planning committees modernisation	3.2	Secondary	£103m to £1,352m (Central: £509m)	0	£103m to £1,352m (Central: £509m)	-£59m	0	
Unlocking land and securing public value for large scale investment								
Compulsory Purchase Order	4.1	Primary	£2.5m	0	£2.5m	0	0	
Introducing effective new mechanisms for cross-boundary strategic planning								
Strategic planning	5.1	Secondary	0	£63m to £147m (Central: £101m)	-£63m to -£147m[24] (Central: -£101m)	0	0	
Total Monetised Impact across all measures								
Total	**NA**	**Primary and Secondary**			£1,289m to £7,504m (Central: £3,154m)	-£273m	0	

7.1 Delivering a faster and more certain consenting process for critical infrastructure

26. The Bill contains a substantial set of measures that seek to improve and streamline the consenting processes for critical infrastructure projects so that they are faster and more certain. Table 2 below summarises the monetised impact of these measures alongside a qualitative summary of their benefits and costs. As set out in detail in individual annexes, some of these measures contain several legislative changes that have been grouped together:
    - NSIP reforms will create a more certain system with faster consenting, including:
        i. Requiring NPSs to be updated every five years so that they reflect the Government's priorities and ambition;
        ii. Introducing a more streamlined process for making changes to NPSs;
        iii. Changing consultation requirements that protect the principle but make it less burdensome and reduce gold-plating;
        iv. The ability to re-direct qualifying NSIP projects into alternative consenting routes where deemed more appropriate; and
        v. Providing for the ability to make statutory guidance across the whole consenting process under the Planning Act 2008.

[23] Limited data availability on environmental obligations means we have only been able to estimate a subset of the impacts relating to nutrient neutrality (only one environmental obligation). As a result, we expect this to be a significant under-estimate of the full NPV of this measure.
[24] This negative impact is purely to the public sector and reflects that only the costs of producing strategic plans has been monetised.

- Scottish consenting reforms will make the system faster, more efficient, and more predictable, including:
    i. Introducing mandatory pre-application requirements with relevant stakeholder inputs and introducing powers for the Scottish Government to charge fees for their input;
    ii. Refining application requirements for consent ;
    iii. Improving the process following a local authority objection to a consent application;
    iv. Improving the process for variations to consents for network projects;
    v. Introducing powers for the Scottish Government to charge fees for necessary wayleave applications;
    vi. Using a statutory right of appeal process for all onshore and offshore consenting in Scotland; and
    vii. Creating a limited power for Scottish and UK Ministers to modernise some aspects of the Electricity Works Environmental Impact Assessment process to ensure operability with the reforms above.
- Reforms to the Transport and Works Act 1992 will streamline and improve the efficiency of delivering new transport scheme such as guided transport schemes, certain railway schemes and tramways as well as inland waterways and works interfering with rights of navigation, including:
    i. Enabling cost recovery by defined statutory consultees and local authorities when dealing with applications;
    ii. Introducing statutory deadlines for specific stages in the process to provide certainty to stakeholders;
    iii. Providing for the inclusion of additional authorisations to streamline multiple processes;
    iv. Moving Model Clauses to guidance so they can be better kept up to date; and
    v. Providing points of clarification through legislative amendments.
- Reforms to the Highways Act 1980 will streamline and improve the efficiency of delivering road infrastructure schemes, including:
    i. Establishing powers to enable temporary possession of land for construction to better frame land negotiations;
    ii. Providing for cost recovery by defined statutory consultees and local authorities when dealing with applications to support resourcing decisions;
    iii. Introducing statutory deadlines for specific stages in the process and amending objection periods to align with other planning regimes to provide certainty to stakeholders; and
    iv. Simplifying the various ways of handling orders and schemes under the HA80 by removing the requirement for statutory instruments for certain schemes and orders, and enabling the strategic highway authority to initiate the making or unmaking of trunk roads.

Table 2: Overview of the monetised impacts and qualitative benefits/costs of measures to deliver a faster and more certain consenting process for critical infrastructure

Num	Measure	Description	Impacts	Monetised Impact (£m, 2025 prices, 2026 Base Year)		
				NPSV	EANDCB	EANDCH
1.1	NSIP Reforms	These measures will deliver faster consenting decisions under the NSIP regime; and better, clearer and stronger National Policy Statements to create a more certain system.	**Benefits:** • Reduced cost of delays (direct, monetised) • Reduced costs of holding consultations (direct, monetised) • Reducing delays allows infrastructure to be delivered earlier (indirect, non-monetised) • Reduction in costs associated with legal challenges (indirect, non-monetised)	£884m to £2,947m (Central: £1,428m)	-£166m	0
1.2	Connections Reform	Time-limited powers to manage risk to wider connections reform package which will enable prioritisation of the connections queue.	**Benefits:** • Quicker and more reliable connections process (direct, non-monetised) • Earlier project investments from quicker network connections (indirect, non-monetised) • Connection cost savings (direct, non-monetised) • Inward investment attracted (indirect, non-monetised) • Network cost savings (indirect, non-monetised) • Constraint cost savings (indirect, non-monetised) • Emissions savings (indirect, non-monetised) **Costs:** • Costs of amended connection agreements (direct, non-monetised) • Familiarisation and implementation costs (direct, non-monetised)	Qualitative analysis only, more detail in later analysis to support secondary legislation[25]	NA	NA
1.3	Scottish Consenting (and Environmental Impact	Amendments to the Electricity Act 1989 to streamline electricity infrastructure consenting in Scotland.	**Benefits:** • Planning cost savings (direct, monetised) • Constraint cost savings (indirect, monetised) • Emission savings (indirect, monetised)	£373m to £2,201m (Central: £913m)	-£0.4m	0

[25] More detailed quantitative analysis will be produced following an Ofgem/NESO consultation for a forthcoming Impact Assessment. More detailed analysis is not available at this stage because there is very limited detail on the specific reforms that may be introduced.

	Assessments)		• Potential supply chain benefits (indirect, non-monetised) **Costs:** • Costs of earlier investment (indirect, monetised) • Familiarisation costs (direct, monetised) • Implementation costs (direct, monetised) • Increased supply chain tightness from quicker network build (indirect, non-monetised)			
1.4	OFTO	Extending the period for generator developers to transfer transmission assets to an office transmission assets owner from 18 months to 27 months.	**Benefits:** • Reduced public sector administrative burden (direct, monetised) **Costs:** • Familiarisation costs (direct, monetised)	Less than £0.1m	Less than £0.1m	0
1.5	Long Duration Energy Storage	This measure provides the legal framework for Ofgem to administer the cap and floor scheme to support the deployment of LDES.	**Benefits:** • Increased LDES deployment (indirect, non-monetised) • Reduction in capital costs from derisking investment (indirect, non-monetised) **Costs:** • Familiarisation costs (direct, monetised) • Public sector administration costs (direct, monetised) • Compliance costs (indirect, monetised) • Bid development costs (indirect, monetised)	-£9m to -£19m[26] (Central: -£14m) Only costs have been monetised at this stage, more detail in forthcoming analysis[27]	Less than £0.1m	0
1.6	Bill Discounts	Powers to establish a bill discount scheme for households closest to new transmission network infrastructure.	**Transfer:** • Transfer from all electricity consumer to households closest to new transmission network infrastructure (direct, monetised for scenarios)	Scenario analysis only, more detail will be provided at	Scenario analysis only, more detail will be provided at secondary legislation stage	Scenario analysis only, more detail will be provided at secondary legislation stage

[26] This is negative as only scheme familiarisation, application and ongoing compliance costs have been monetised in this Impact Assessment.
[27] DESNZ will work with Ofgem on further analysis detailing wider monetised costs and benefits at the next stage of scheme design. In particular, fuller analysis of the monetised impacts of providing a cap and floor agreement with developers would be expected when Ofgem review the project bids and any subsequent awarding of contracts.

			Benefits: • Emissions savings (indirect, monetised for scenarios) • Reduced network constraint costs (indirect, monetised for scenarios) • Lower legal costs (indirect, non-monetised) **Costs:** • Familiarisation costs (direct, monetised for scenarios) • Administration costs (direct, monetised for scenarios) • Earlier network investment costs (indirect, monetised for scenarios)	secondary legislation stage[28]		
1.7	EV Charging	This measure will streamline the approval process of electric vehicle on-street charge point installation by moving it from a license to permit system.	**Benefits:** • Application process time savings (direct, monetised) • Application process cost savings (direct, monetised) • Increased EV usage (indirect) **Costs:** • Familiarisation costs (direct, monetised) • Registration costs with permit system (direct, monetised) • Societal impact of an increase in the number of works associated with installing EV chargepoints (indirect, non-monetised)	£5m to £15m (Central: £8m)	-£0.8m	0
1.8	Reforms to Highways Act 1980	These measures streamline and improve the efficiency of delivering road infrastructure schemes[29]	**Benefits:** • Access to legal assistance for regaining access to land (direct, non-monetised)	Qualitative analysis only	NA	NA

[28] The detailed scope and eligibility of the scheme decisions will be defined in secondary legislation. Two scenarios are considered in the analysis at this stage. These scenarios do not reflect a current minded-to position of Government with regards to the scope or eligibility of the scheme. As a result they are excluded from the overall NPSV and EANDCB.

[29] Of the five measures which make up the package of Highways Act 1980 reforms, two (which relate to powers of temporary possession and statutory deadlines) have been included in the impact assessment. The measures to introduce powers for cost recovery to the regime, amendments to procedures for certain orders and schemes, and the power for the strategic highways company to initiate the making or unmaking of trunk roads have been excluded.

			• Marginal contribution to speeding up delivery of infrastructure (indirect, non-monetised) • Consistency between consenting regimes (indirect, non-monetised) **Costs:** • Familiarisation costs (direct, non-monetised but expected to be minimal as businesses will not familiarise themselves with these as a rule)			
1.9	Reforms to Transport Works Act[30]	This measure enables additional statutory authorisations to be secured through Transport and Works Actor Order simplifying and streamlining the process of securing authorisation.	**Benefits:** • Reduction in time taken to secure authorisation (direct, non-monetised) • Marginal contribution to speeding up delivery of infrastructure (indirect, non-monetised) **Costs:** • Familiarisation and administration costs (direct, non-monetised but expected to be minimal as measures will affect very small number of businesses)	Qualitative analysis only	NA	NA
NA	Forestry Commission (not a regulatory provision)	This measure enables the Forestry Commission to promote, develop, construct and operate installations for, and in connection with, the supply of electricity produced from renewable sources.	This is not a regulatory provision (out of scope of Better Regulation Framework) as it relates to a public sector organisation and does not have direct impacts on business			
NA	PINS cost awards (not a regulatory provision)	This measure enables PINs to award costs in examination where an applicant pulls out part way through the process.	This is not a regulatory provision (out of scope of Better Regulation Framework) as it clarifies existing legislation, rather than introducing a new power.			

[30] The Annex on reforms to the Transport Works Act covers impacts relating to one of ten measures included in the TWA reforms: additional authorisations. The other nine are non-qualifying measures. One non-qualifying measure relates to fees. The other eight non-qualifying measures do not have direct impacts on business.

NA	Marine Management Organisation hourly charging (not a regulatory provision)	This measure enables cost recovery principles for Harbour Revision Orders.	This is not a regulatory provision (out of scope of Better Regulation Framework) as it is a fees measure.

7.2 Introducing a more strategic approach to nature recovery

27. The Bill will create a Nature Restoration Fund which will streamline the process by which developers meet relevant environmental obligations. Developers will be able to make payments to the fund which will fulfil relevant environmental requirements and allow planning consent and development to progress without delay. The state, through a delivery body, will then take responsibility for securing positive environmental outcomes at a strategic rather than site by site level. The Bill will establish the core framework of this new approach as well as securing the necessary changes to existing legislation. Secondary legislation will be used to set out additional details related to implementation, such as regulations, managing payments into the fund, and management of the ongoing operation of the model. Monetised benefits are primarily driven by a reduction in the cost of holding capital for developers. Table 3 below summarises the monetised impact of this measure alongside a qualitative summary of the benefits and costs. Analysis is focused on nutrient neutrality as this is a particularly significant environmental obligation and we hold data on the proportion of development affected by it, however we expect the Nature Restoration Fund to also be used as a route to satisfying other environmental obligations, including recreational disturbance, protected species licencing and water neutrality. As such, there are expected to be wider unquantified impacts of the final scheme.

Table 3: Overview of the monetised impacts and qualitative benefits/costs of measures to introduce a more strategic approach to nature recovery

Num	Measure	Description	Impacts	Monetised Impact (£m, 2025 prices, 2026 Base Year)		
				NPSV	EANDCB	EANDCH
2.1	Nature Restoration Fund	This measure will establish a Nature Restoration Fund (NRF)	**Benefits:** • Time savings from allowing obligations to be discharged in the process (direct, monetised)	£86m to £1,057m[32] (Central: £408m)	-£47m	0

[32] Limited data availability on environmental obligations means we have only been able to estimate a subset of the impacts relating to nutrient neutrality (only one environmental obligation). As a result, we expect this to be a significant under-estimate of the full NPV of this measure.

		that streamlines the process for developers to discharge environmental obligations.	• Improved environmental outcomes (indirect, non-monetised) **Costs:** • Cost of operating NRF to public sector (direct, non-monetised[31]) • Familiarisation costs (direct, monetised)			

7.3 Improving certainty and decision-making in the planning system

28. The Bill will make changes to the planning fees model and the operation of planning committees to improve certainty and decision-making in the planning system. This includes sub-delegation of planning fees to ensure that Local Planning Authorities can cover their costs through fee revenue – the current shortfall is estimated at £362 million per year, which is in turn impairing the quality of the planning service and hence the speed and quality of decisions for developers. The Bill will deliver this through sub-delegation of fee setting to Local Planning Authorities, providing for 'local variation' from a nationally set default fee. On planning committees, the Bill will introduce a national scheme of delegation where an application complies with a development plan; require committee members to undertake training before they can take planning decisions; and allow Local Planning Authorities to establish smaller, dedicated committees focused only on strategic development. It would also introduce a power that the income from planning application fees is applied towards the planning application function. Table 4 summarises the monetised impact of these measures alongside a qualitative summary of the benefits and costs.

Table 4: Overview of the monetised impacts and qualitative benefits/costs of measures to improve certainty and decision-making in the planning system

Num	Measure	Description	Impacts	Monetised Impact (£m, 2025 prices, 2026 Base Year)		
				NPSV	EANDCB	EANDCH
3.1	Planning Fees Sub-delegation[33]	This measure would establish a new power to sub-delegate planning fee setting to	**Transfer:** • Transfer of fees from householders and businesses to LPAs (direct, monetised) **Benefits:**	0[34] (a transfer)	+£60m (a transfer)	+£70m (a transfer)

[31] The cost of operating the NRF will be to the public sector, but financed out of developer contributions. The NRF will be financed out of developer contributions, with the strategic approach allowing for more efficient delivery of environmental outcomes. Costs to developers are expected to remain the same, and the operation of the NRF will be funded from the efficiency savings of the strategic approach.

[33] The impacts have been monetised despite this being a fees measure. In line with the Better Regulation Framework guidance, this fee is not captured in the Bill's overall EANDCB or EANDCH). We still report the annualised impact here to demonstrate the impact of the new powers relating to planning fees sub-delegation.

[34] Large annual transfer of c.£120.0m from businesses and households to LPAs.

		LPAs while also maintaining a national default fee.	• Reduction in delays in planning system (indirect, non-monetised)	Impacts will require secondary legislation,[35] but are estimated here		
3.2	Reforming Planning Committees	These measures will introduce powers to: establish a national scheme of delegation, require training for planning committee members and, allow LPAs to establish dedicated committees for strategic development.	**Benefits**: • Time savings from a reduction in determination time (direct, monetised) • Time savings from reduction in appeals (direct, monetised) • Reduction in appeal-related costs (direct, monetised) **Costs**: • Familiarisation costs (direct, monetised)	£103m to £1,352m (Central: £509m Impacts will require secondary legislation,[36] but are estimated here	-£59m	0

7.4 Unlocking land and securing public value for large-scale investment

29. The Bill will reform compulsory purchase rules so that compensation paid to landowners is fair but not excessive where powers are used to assemble land and deliver schemes in the public interest. The compulsory purchase order process will also be amended to make it more efficient and streamlined, which will deliver cost savings to public bodies and deliver quicker acquisition decisions. The Bill will also change development corporation legislation so that they can operate more effectively and adds heat networks to the list of infrastructure that all development corporations can provide. This is not a regulatory provision (out of scope of Better Regulation Framework) as it does not have direct impacts on business. Table 5 below summarises the monetised impact of this measure alongside a qualitative summary of the benefits and costs.

Table 5: Overview of the monetised impacts and qualitative benefits/costs of measures to unlock land and secure public value for large-scale investment

Num	Measure	Description	Impacts	Monetised Impact (£m, 2025 prices, 2026 Base Year)		
				NPSV	EANDCB	EANDCH
4.1	Compulsory Purchase Order Reform	These measures will simplify and streamline the process for using CPOs.	**Benefits:** • Time savings from faster decision making on CPOs (direct, non-monetised) • Reduced administrative costs (direct, monetised)	£2.5m	0	0

[35] Specifically, secondary legislation will be required to introduce the national default fee. In this primary stage IA, impacts of the most likely model are estimated.
[36] Specifically, secondary legislation will be required to establish the operating model of the national scheme of delegation. In this primary stage IA, impacts of the most likely model are estimated.

			Transfer: • Changes in compensation (direct, non-monetised as data on these payments is commercially sensitive and not published)			
NA	Development Corporations (not a regulatory provision)	These measures will amend the remit and objectives of Development Corporations and give Development Corporations the power to deliver more types of transport infrastructure. It will also add heat networks to the list of infrastructure that all Development Corporations can provide.	Development Corporations are statutory bodies (not businesses). Development Corporations are discretionary, it will be for Local Authorities or central Government to decide if they want to establish a Development Corporation for a particular development project. Businesses (e.g. developers) can make a strategic decision to engage with Development Corporations. This measure is not a regulatory provision (out of scope of Better Regulation Framework) as it does not have direct impacts on business.			

7.5 Introducing effective new mechanisms for cross-boundary strategic planning

30. The Bill contains measures to achieve implementation of a universal system of strategic planning within the next five years. The Bill will direct groupings of upper-tier county councils, unitary councils and in some cases foundational strategic authorities to deliver a Strategic Development Strategy. This will unlock growth and support better alignment of housing and infrastructure. Table 6 summarises the monetised impact of this measure alongside a qualitative summary of the benefits and costs. The only monetised impact of this measure are the public sector costs of producing strategic plans, however we expect the benefits of taking a more strategic approach to planning across Local Planning Authority boundaries – including in relation to the sharing of housing need and hence planning for additional supply – to more than offset this cost.

Table 6: Overview of the monetised impacts and qualitative benefits/costs of measures to introduce effective new mechanisms for cross-boundary strategic planning

Num	Measure	Description	Impacts	Monetised Impact (£m, 2025 prices, 2026 Base Year)		
				NPSV	EANDCB	EANDCH
5.1	Strategic Planning	This measure will require every area in England to	**Benefits:** • Increased opportunities for development (indirect, non-monetised)	-£63m to -£147m[37] (Central:	0	**0**

[37] This negative impact is purely to the public sector and reflects that only the costs of producing strategic plans has been monetised.

		be covered by a strategic plan.	• Increased confidence in plans (indirect, non-monetised) **Costs:** • Cost to public sector of producing strategic plans (direct, monetised)	-£101m) Impacts will require secondary legislation,[38] but are estimated here		

[38] Specifically, secondary legislation will be required to define strategic authorities. In this primary stage IA, impacts of the most likely model are estimated.

7.6 Costs and benefits to business

31. In this section, we provide a summary of the impacts[39] of the Bill as a whole on business across the 10-year appraisal period (2026 to 2035). All monetary impacts are reported in 2025 prices, as a Net Present Value with a present value base year of 2026.[40] Significantly more detail on how these estimates were reached is available in the individual annexes.

Direct Benefits

32. We expect the Bill to deliver significant direct cost savings to businesses. Across the analysis of different measures, we have identified three sources of cost savings: reduction in the cost of delays (£2.1bn) reductions in planning and consultation costs (£157m) and a reduction in appeal-related costs (£46m).

33. Time savings are delivered by reforms to NSIP (£1.3bn), establishing the Nature Restoration Fund (£408m), reforms to planning committees (£457m), and reforms to EV ChargePoint Operator approvals (£1m). Reductions in costs associated with the planning system are delivered by reforms to NSIP (£147m), reforms to EV ChargePoint Operator approvals (£6m) and reforms of Scottish consenting for electricity infrastructure (£4m). Reductions in the costs of disputes and appeals are delivered by reforms to planning committees (£46m).

34. There are other direct benefits that we have not been able to monetise at this primary legislation stage. For example, we have only been able to monetise a subset of the direct time savings delivered by the Nature Restoration Fund and have not been able to monetise any benefits associated with connections reform.

Indirect Benefits

35. The largest monetised indirect benefit to business captured in this analysis is constraint cost savings (when electricity generators are paid to reduce their output because of congestion on network). This impact is indirect because there are several steps in the logic chain. The reforms are expected to reduce delays to network build. This in turn will reduce congestion and then reduce constraint costs. This comes from the measures reforming Scottish consenting for electricity infrastructure (~£1bn). We expect three other measures (relating to Long Duration Energy Storage, Connections Reform and Bill Discounts) to further reduce constraint costs. However, there is too much uncertainty to monetise these indirect benefits. The impacts relating to the Long Duration Electricity Storage and Connections Reform measures both depend on the decisions to be made by Ofgem. The impacts relating to Bill Discounts are highly uncertain and depend on decisions to be made in relation to implementation at secondary legislation stage.[41]

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[39] For ease of presentation, we report our central estimates here. More detail on how each impact varies in low and high scenarios is available in the individual annexes.

[40] We use 2026 as our base value year because we expect the bill to receive royal assent in late 2025 or early 2026 and therefore expect impacts to begin from 2026.

[41] As highlighted above, for the bill discounts measure, the monetised impact for four scenarios have been estimated. However, it is not included in the overall monetised estimate of the Bill's impact as these scenarios do not reflect a preferred option.

36. We expect that streamlining processes in planning and infrastructure consenting, at the margins, will incentivise businesses to bring forward more development. Currently, some developers are deterred from submitting planning applications by the delays and uncertainty in the planning system. We expect there to be benefits to society associated with this additional development. This impact is indirect, because it is a second round impact, requiring businesses (typically developers in this context) to bring forward different proposals for development in response to the various measures proposed in this Bill. As a result, we have not attempted to monetise the impacts associated with these second round impacts of the Bill measures.

37. The Bill will also deliver additional indirect benefits to businesses that are not monetised. For example, the ability for LPAs to recover costs from planning fees is expected to facilitate a more effective planning system but is also dependent on LPA behaviour change. Additional detail on the potential wider impacts of the Bill (improvements in productivity, better access to skilled workforce) is included below. While we have summarised the main indirect benefits to business in this summary IA, more detail is provided within the annexes relating to each measure.

Direct Costs

38. The direct costs to business of all measures is very small. For all but one measure, the only direct cost faced by businesses (excluding transfers covered below) is the cost of familiarising themselves with legislation, which is estimated to be £1.3m (£0.9m to £1.7m). More detail on familiarisation costs is included in the individual annexes. The only other direct cost to business identified in the Bill is the annual cost to EV ChargePoint Operators of registering for the Street Manager portal. This direct cost is very small (£0.3m over the 10-year appraisal period) and is significantly more than offset by the direct benefits (in the form of time and cost savings) to EV ChargePoint Operators that also follow from these reforms.

Indirect Costs

39. There is a significant indirect cost to business from the reforms to Scottish consenting in the form of earlier network investment costs (£777m). Reducing delays to network build in Scotland will mean that network investment will occur sooner, which will increase investment over the appraisal period. This is included as a cost to business as this is spend that will occur sooner than in the do nothing due to the policy, even if this is spend that would occur otherwise. The bill discounts measure may also have associated indirect costs associated with earlier network investment. However, there is too much uncertainty in the specific model relating to these reforms to monetise the indirect cost of a preferred option (scenario analysis is included in the relevant annex).

40. In addition to the indirect benefit of more development induced by a streamlined planning system, there may also be indirect costs associated with more development. For example, introducing an LDES cap-and-floor scheme means developers will have to submit bids to gain a cap and floor agreement to support the development and operation of their project. The costs of preparing bids has been estimated at £3.2m. These impacts are considered indirect as they are avoidable if developers choose not to bid for projects.

Direct Transfers

41. There are two measures in the Bill that involve significant transfers:
    - LPAs are expected to respond to planning fees sub-delegation by raising some planning fees. We expect this will have a negative direct impact on businesses. However, businesses may benefit in the long run from better resourced LPAs as a result of LPAs being able to recover costs. This transfer is expected to be £1.1 bn (present value) from businesses and households to LPAs. Businesses are expected to contribute £515 m (present value) to this transfer. This is a transfer from businesses (and households) to LPAs, so the total NPSV is 0. In line with the Better Regulation Framework guidance, this fee is not captured in the Bill's overall EANDCB (or EANDCH).[42]

    - The introduction of bill discounts is expected to yield a transfer of from electricity bill payers (businesses and households) to a subset of households.[43] Scenario analysis is used to estimate the scale of these impacts in the relevant annex. However, as there is no preferred option at this primary legislation stage, this impact is not included in the NPSV, EANDCB or EANDCH for the Bill as a whole.

7.7 Small and micro business assessment

42. The Planning and Infrastructure Bill is expected to deliver a faster and more certain planning system for infrastructure, residential and commercial development. Many of the measures are deregulatory and we expect the collective impact of the Bill on businesses to be positive. Delays and uncertainty in the planning system have a significant impact on small and micro businesses (SMBs). In this section, we set out how the Bill as a whole is expected to benefit smaller businesses. Then, for measures that are expected to have negative impacts on SMBs, we provide measure-specific detail, including justification for non-exemption where relevant. At the end of this section, we also consider impacts on medium-sized businesses.

Affected SMBs

43. Developers are the primary category of business affected by these reforms. We identify the number of affected businesses using ONS data.[44] This data is a snapshot of the Inter-Departmental Business Register (IDBR) taken on 8 March 2024.[45] We use the Development of Building Projects category (SIC 4110) to estimate the number of firms affected by planning reforms. To estimate the number of firms affected by the infrastructure measures, we produce a composite category from several subcategories relating to construction of infrastructure.[46] We report values for the whole of UK, though some measures only apply to England.[47] Over 99%

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[42] Better_Regulation_Framework_guidance.pdf
[43] In one scenario the bill discounts would also apply to a subset of non-domestic (business) properties.
[44] UK business; activity, size and location: 2024 - Office for National Statistics
[45] The IDBR does not provide a more granular breakdown of medium and large businesses.
[46] We combine the categories for construction of: roads and motorways (4211), railways and underground railways (4212), bridges and tunnels (4213), utility projects for fluids (4221), utility projects for electricity and telecommunications (4222), water projects (4291), other civil engineering projects n.e.c (4299).
[47] 90% of UK businesses in the Development of Building Projects category are in England. 85% of UK businesses in the Construction of various infrastructure projects are in England.

of businesses in the development of building projects are in the SMB category. This is a higher concentration of SMBs than in other industries. While a very high proportion of firms in the infrastructure category (97%) are SMBs, this is lower share than the average across all industries (98%).

44. Infrastructure firms tend to be larger than firms in the development of building projects category. Across the UK there are 80 medium and large firms in the development of building projects category but 710 in the construction of infrastructure category.

45. Not all businesses would be putting in planning applications each year or be the main developer of a site, as they may be sub-contractors or consultants. Where there are impacts on sub-contractors or consultants, these are indirect in most instances.

Table 7: Distribution of businesses by number of employees

Business Size (number of employees)	Development of building projects	Construction of various infrastructure projects
Micro (1-9)	44,420 (96.3%)	21,220 (87.6%)
Small (10-49)	1,610 (3.5%)	2,280 (9.4%)
Medium (50-99)	50 (0.1%)	410 (1.7%)
Medium (100-249)	25 (0.1%)	210 (0.9%)
Large (250+)	5 (0.0%)	100 (0.4%)

46. The infrastructure measures are expected to disproportionately affect larger organisations. The delivery and operation of infrastructure is complex. Consequently, firms operating in these industries, and directly affected by these reforms, are likely to be large. SMBs that are affected are likely to be sub-contractors supporting large firms in the development of large projects. Large developers may respond to reduced costs and delays in the NSIP consenting process by bringing forward infrastructure projects, which will indirectly benefit SMB sub-contractors.

47. The measures affecting residential development are expected to have larger positive impacts on SMB developers. Residential development can be smaller scale, and as set out below, barriers in the planning system that result in delays and complexity can have a disproportionate impact on SMBs.

48. However, larger developers are responsible for the majority of development. In terms of new builds, SMBs play a small (and shrinking) role. In *State of Play: Challenges and opportunities facing SME home builders* (2020), the Home Builders Federation found that small developers

delivered around 40% of new homes in 1988 compared to around 10% in 2020.[48] However, HBF's definition of SMB developers does not align with the definition of SMB in the Better Regulation Framework (BRF).[49] We do not have sufficient data to estimate the market share of SMBs as defined in the BRF.

Disproportionate impact of barriers in planning system on SMBs

49. When SMBs face delays and costs in the planning system, they are disproportionately burdened (relative to larger firms). As detailed in *State of Play: Challenges and opportunities facing SME home builders*, the Home Builders Federation found that house builders surveyed report delays in the planning systems as the worst barrier to growth. 94% of those surveyed considered "delays in securing planning permission or discharging conditions" as a major barrier to growth. SMB housebuilders also cited the lack of resources in LPAs as a driver for delays and considered this as the second most important barrier to growth.

50. There are two specific channels through which SMB developers are disproportionately burdened by the current planning system. First, smaller developers may have all their capital in one or two sites, whereas larger developers can continue to progress multiple projects. If one application is delayed this has a significantly larger impact on smaller developers who do not have the cash reserves to delay.[50] Second, smaller businesses are less likely to have dedicated staff to handle elements of the planning system such as appeals. They are also less likely to have experience of handling challenges and uncertainty presented by the planning system. This means they are more exposed to delays in the planning system and appeal-related costs. As a result, measures that reduce delays and uncertainty in the planning system are expected to reduce this disproportionate burden on SMBs.

51. Due to the smaller number of employees, familiarisation costs have a disproportionate impact on smaller businesses. However, we expect familiarisation costs to be small for each individual measure and more than offset by the benefits to SMBs. More detail on familiarisation costs is set out within the analysis on specific measures in the annexes.

Wider impacts on SMBs

52. The analysis in this IA largely focuses on direct impacts to businesses in the form of reducing delays and uncertainty in the planning system. We also expect wider benefits to be delivered by the streamlining of the planning system. By making the planning system easier to navigate and less costly to engage with, SMB businesses may be induced to bring forward more development. In addition to SMB developers themselves, other SMBs in the construction sector

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[48] Home Builders Federation (2020) *[Available at: https://www.hbf.co.uk/documents/10555/HBF_Report_-State_of_Play_FINAL_V2.pdf]*
[49] HBF typically define small developers as those that build 1-100 units a year.
[50] Home Builders Federation (2023) *[Available at: HBF_Report_-_SME_report_Nov_2023_22Jan.pdf]*

are likely to benefit indirectly from increased residential, commercial and infrastructure development.

Measures that have costs for SMBs

53. In this section, we provide more detail on the SMB impacts specific to the two measures that have direct costs to SMBs. Further detail on the SMB impacts is included in each relevant annex.

Bill discounts

54. Further detailed policy design for this measure (including scope and eligibility) will be finalised in preparation for implementation. In the annex, four illustrative scenarios are considered. This means the impacts on SMBs and medium-sized businesses are also uncertain. Further analysis will be set out alongside secondary legislation in due course.

55. It is assumed all GB electricity bill payers (including small, micro and medium businesses, subject to exemptions) could incur additional costs initially, although we expect these to be small and eventually we expect small, micro or medium sized businesses to benefit overall under all options. DESNZ analysis suggests that this policy could yield a net neutral impact on GB electricity bill payers under the scheme if constraint cost savings are realised, however the analysis is uncertain. Affected SMBs include:

- All GB electricity payers are expected to incur costs initially (though energy intensive industries are exempted in the minded-to position); and
- Electricity suppliers administering the bill discount (which may face additional costs associated with administration). There are 21 active licensed energy suppliers[51] and 12 large suppliers[52] hold 98.2% of the market share.[53]

56. The rationale for non-exclusion of SMB suppliers is that if some suppliers were excluded from delivering bill discounts, this perceived inequality in the implementation of the scheme could risk heightening tensions in communities towards infrastructure development which could in turn generate more community opposition. This would directly contradict the scheme's objectives, and it is crucial for our clean power and net zero ambitions that increased community opposition is avoided. It is therefore necessary that all eligible households receive the bill discount, so all suppliers will be mandated to administer it. However, we recognise the impact of delivering the bill discount scheme may be felt differently across energy suppliers. As highlighted above, all electricity bill payers (including SMB bill payers) are expected to benefit overall, if constraint cost savings are realised. It is therefore not appropriate to exclude them from this measure.

[51] Retail market indicators, https://www.ofgem.gov.uk/retail-market-indicators
[52] Large suppliers identified in https://www.ofgem.gov.uk/publications/outcome-2022-review-whether-conditions-are-place-effective-competition-domestic-supply-contracts pg14 Outcome of 2022 review into whether conditions are in place for effective competition in domestic supply contracts p.14
[53] Retail market indicators, https://www.ofgem.gov.uk/retail-market-indicators

57. We have identified the following mitigations to limit the impact on SMBs:

- In the minded-to-position, energy intensive industries will not pay into the scheme so will not be affected by large initial costs.
- A scheme administrator (rather than SMBs) will carry out all coordination, recipient identification, data matching, monitoring, customer service and processing of manual applications. This reduces the administrative burden on SMBs.
- Small electricity suppliers are predominantly non-domestic suppliers. In the minded-to position, if non-domestic properties were included in the scope of eligibility, they would have to opt in to receive the discount. These opt-in applications would be managed and verified by a central body. DESNZ expect that this will further reduce the administrative burden on SMB suppliers.
- DESNZ will also review monitoring and evaluation information from existing bill discount schemes (such as EBSS and WHD) to ensure that any additional delivery obligations placed on suppliers are proportionate and do not unnecessarily burden small, micro and medium sized suppliers.

Planning Fees

58. Increasing fees will have an impact on SMBs and medium-sized businesses who submit planning applications by increasing their costs when making a planning application which requires a fee. SMBs and medium-sized businesses are more likely to submit minor applications which are estimated to have the greatest funding shortfalls of between 50% and 150% - the exact shortfall will be LPA specific, which makes delegation the most efficient way for LPAs to recover costs. If LPAs set fees at the level of full cost recovery, it is likely that the fees for minor applications will proportionately increase by a greater rate than fees for major applications, which may not increase by very much, if at all. This could potentially have a disproportionate impact on SMBs and medium-sized businesses.

59. The rationale for non-exclusion is that SMBs and medium-sized businesses cannot be exempt from local fee setting, as this would create an imbalance, where larger businesses or householders bear a disproportionate share of the costs. This could be seen as unfair and for the system to recover costs would require higher fees for other applicants, or could undermine the financial sustainability of these services, leading to a lower quality service. The measures in the Bill would give the power to local planning authorities to decide whether any fee increases are necessary. If a local planning authority chooses to vary or set their own fees, in setting these fee levels they will be required to consider the impact of that fee on businesses.

60. SMBs are expected to benefit from greater resourcing of local planning authorities, leading to more effective service delivery. Effective planning services can reduce delays and associated costs, such as holding costs for land and financing. This can result in significant long-term savings for businesses including SMBs. As set out above, the impact of costs of delays and uncertainty in achieving planning permission can have disproportionate impact on SMBs. In

their latest report on challenges facing SMB housebuilders, the HBF reported that 90% of respondents cited a lack of LPA resource as a major challenge to their business growth.[54] The CMA's market study report into housebuilding proposed raising planning fees to a cost-reflective level as a method for improving LPA capacity and resource.[55]

Medium businesses

61. Medium-sized businesses (defined in the Better Regulation Framework as businesses with between 50 and 499 employees) are expected to benefit from the package of measures as whole. However, relative to smaller businesses they may not feel the burden imposed by delays and costs in the counterfactual as significantly. For example, they are more likely to have dedicated staff to handle appeals and more capital to cover costs associated with delays than smaller businesses. This indicates the reforms, which ease these burdens, will be less impactful (on a project-by-project basis) on medium-sized businesses than on smaller businesses.

62. For the two measures that do impose direct costs on SMBs (beyond familiarisation costs), the rationale for non-exclusion and outlined mitigations also apply to medium businesses.

7.8 Costs and benefits to households

63. In this section, we provide a summary of the impacts of the Bill as a whole on households across the 10-year appraisal period (2026 to 2035). All monetary impacts are reported in 2025 prices, as a Net Present Value with a present value base year of 2026. Significantly more detail on how these estimates were reached is available in the individual annexes.

64. LPAs are expected to respond to planning fees sub-delegation by raising some planning fees. We expect this will have a negative direct impact on households. However, households may benefit in the long run from better resourced LPAs. This transfer is expected to be £1,106m (present value) from businesses and households to LPAs. Households are expected contribute £602m (present value to this transfer). This is a transfer from households (and businesses) to LPAs, so the total NPSV is 0. In line with the Better Regulation Framework guidance, this fee is not captured in the Bill's overall EANDCH (or EANDCB).[56]

65. Households are likely to be impacted by the introduction of bill discounts. This involves a transfer from all electricity consumers (including households) to communities living closest to new infrastructure (likely to be rural areas). While households as a collective group benefit, this is a transfer from all households to a subset of households. This measure is expected to yield indirect benefits, as the transfer may reduce delays to building electricity transmission infrastructure.

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[54] HBF, State of Play (2024-25) [Available at: 2024-25_SME_State_of_Play_report.pdf]
[55] Summary of CMA market study final report into housebuilding (2024) [Available at: https://assets.publishing.service.gov.uk/media/65d8badb6efa830011dcc5bc/_Summary_of_housebuilding_final_report_.pdf]

[56] Better_Regulation_Framework_guidance.pdf

66. Several of the measures that target the consenting process for critical infrastructure, like the Scottish Consenting Reform and Connections Reform, are set to reduce constraint costs (which forms a portion of electricity bills), resulting in savings for households.

67. Planning system reforms and increased certainty in decision-making are likely to improve housing delivery. The Bill may result in wider benefits to households in the form of localised impacts on house prices, housing availability and reductions in overcrowding and homelessness.

7.9 Distributional impacts

68. Distributional impacts of the measures in this Bill are expected to limited. For households, we have only identified electricity bill discounts as having any distributional impact. This measure involves a transfer from all electricity consumers (domestic and commercial) to those living near new electricity transmission infrastructure. This is more likely to benefit rural areas where new transmission infrastructure will primarily be hosted – evidence suggests that residents in these areas are more likely to be 'white' and over 65. There is expected to be a positive distributional impact of the discount itself, with evidence suggesting that recipients are more likely to live in lower income areas which could enable more positive economic outcomes for these areas.

69. The following measures are also expected to have impacts that differ across the UK:
    - Reforms to Scottish consenting will primarily benefit Scotland. It is likely that new infrastructure will primarily be in rural areas which include a higher proportion of those aged over 65.
    - The Nature Restoration Fund is expected to deliver benefits to areas where particular environmental obligations apply, for example, nutrient neutrality catchment areas. While some urban areas are in nutrient neutrality catchments (Southampton, Portsmouth, Norwich and Middlesborough), the majority of land area covered by nutrient neutrality catchments is rural. In some cases entire LPA areas are within nutrient neutrality catchments, where obligations limit ability to deliver those LPAs' housing targets. The largest nutrient neutrality catchments (by hectare) are Solent, River Eden Special Area of Conservation (SAC), Somerset Levels & Moors Ramsar. The location of the interventions secured under the NRF will be determined by the scale of the delivery plan area.
    - More generally, measures that affect large infrastructure projects (including NSIP reforms) are likely to have the largest impact near where those infrastructure projects are based.

70. For other Bill measures, there is no significant or adverse distributional impacts on households. Businesses are discussed in Section 6.7, again the distributional impact is limited.

7.10 Impact on wider Government priorities

Business environment and international considerations

71. The planning system is a key enabler of economic growth and the associated built environment and construction sectors are crucial to the UK economy – in 2024 employing over two million

people[57]. The measures in this Bill and our wider reform programme are expected to support the sector to grow domestically and become more productive, supported by trade and investment from overseas.

72. The Bill as a whole is expected to have a positive impact on the business environment by streamlining processes and increasing certainty and improving decision making. In turn, this will reduce burdens and costs and increase investment. Key areas which we expect to have a positive impact are:
    - **Nationally Significant Infrastructure Projects reforms:** Measures are expected to improve and enhance the delivery of infrastructure in the UK, which in turn should have a net benefit impact on the regional and national economy.
    - **Nature Restoration Fund:** The new framework will simplify environmental compliance for developers, making it easier to allocate funds to meet environmental obligations and support nature restoration. This will provide developers with simplicity and stability, helping to attract investment.
    - **Planning committees and planning fees:** These measures will reduce uncertainty around planning decision-making, creating a more attractive investment environment.
    - **Electricity network connections reform:** Delays in grid connections are cited as a barrier by connection customers, both generation and demand. Improving the connections queue through our reforms will be seen as a major benefit for the business environment.
    - **Long Duration Electricity Storage:** The introduction of a cap and floor scheme will guarantee revenues, boosting investor confidence and enabling investment in emerging technologies which can lead to the growth of UK businesses.

73. By supporting a positive business environment, we expect the measures in this Bill to also increase the attractiveness of the UK as a place to invest – particularly in the renewable energy and development sectors. There are no measures in the Bill which we expect to have a negative impact on trade or any other international considerations.

74. The Bill is compliant with international obligations and law, including World Trade Organisation obligations, Aarhuus principles and wider environmental obligations. The Government does not expect that any of the Bill's measure will interact with regulations that exporters must comply with.

75. There are no measures in the Bill that we anticipate will have an adverse or direct impact on international businesses when compared with domestic businesses.

Natural capital and decarbonisation

76. Our current planning systems do not work at the pace required to deliver energy security, meet our target for clean power by 2030, or deliver for the natural environment. Several of the

[57] UK construction workforce 2024 | Statista

measures in this Bill will improve these systems so that they work better for clean power and economic growth. In turn, this will indirectly reduce greenhouse gas emissions by enabling a greater proportion of power to be generated from renewable sources and transmitted through the grid. This includes:

- Reforms to the Nationally Significant Infrastructure Projects regime, which will enable a more effective and streamlined consenting system, accelerating investment in, and delivery of, green infrastructure. This will have indirect benefits of more quickly reducing carbon emissions. Clearer and updated planning information in National Policy Statements will also support preservation of important marine and land habitats and species.
- Reforms to the Scottish electricity infrastructure consenting process, which will reduce transmission network constraints which often lead to overreliance on electricity generation from gas, and improve grid connection of new renewable sources to allow their clean power to reach homes and businesses. Monetised emissions savings for these reforms have been estimated at £147m (NPV in 2025 prices and 2026 PV).
- Introduction of a cap and floor scheme to encourage investment in Long Duration Electricity Storage, which will support technologies that are expected to replace carbon intensive alternatives such as peaking gas generation. A study commissioned by DESNZ has shown that adding Long Duration Electricity Storage to the system at the expense of peaking capacity decreases emissions, with CO_2 intensity reducing by up to 26%[58].
- Changes to network connections, which has the potential to reduce greenhouse gas emissions as electricity networks are a key facilitator to decarbonisation of the power grid by allowing renewable generators to connect to the network. As a result, it is also an enabler of the transition to clean power by 2030.
- Measures to speed up the approval process for the installation of electric vehicle chargepoints, which will incentivise the transition to zero-emission vehicles through accelerating and supporting equitable access to charging infrastructure. The indirect benefits of this policy are the direct benefits of increasing electric vehicle uptake such as reduction in greenhouse gases, improved air quality and reduced noise pollution.

77. In addition, the Nature Restoration Fund measures aim to improve environmental outcomes by requiring developers to contribute towards nature recovery. By shifting to a strategic approach to addressing environmental obligations, coordinated by a single delivery body, action will be more efficient and effective – achieving more with the same cost to developers. It is therefore expected that these measures will contribute to meeting the Government’s wider environmental targets and help secure the benefits derived from biodiversity and ecosystem services more effectively. For example: wetlands can effectively regulate flow of water which enhances resilience to flooding; forests, oceans and healthy soils sequester carbon, reducing greenhouse gases in the atmosphere; peatlands act as carbon stores; restored vegetation stabilises soils reducing erosion and improving water quality; and natural landscapes offer spaces for outdoor

[58] Scenario Deployment Analysis for Long-Duration Electricity Storage (2023) [Available at https://www.gov.uk/government/publications/long-duration-electricity-storage-scenario-deployment-analysis]

recreational activities like hiking and birdwatching. These activities promote physical and mental well-being and provide benefits through tourism-related revenue. This policy is also designed to speed up the delivery of net zero infrastructure (alongside other development), and in doing so support decarbonisation.

78. To some extent, the positive contribution to natural capital and decarbonisation by other measures listed above is offset by the embodied carbon and emissions associated with the earlier completion of infrastructure projects (e.g. roads), residential development and commercial development. Most of this impact is likely to relate to infrastructure projects (through NSIP reforms). Our analysis of NSIP reforms does not go into detail on the specific projects that will be affected by the reforms. Consequently, we have not been able to quantify these impacts for this Impact Assessment. However, given the green energy transition is a significant government priority with published targets and objectives, we expect energy projects will make up the majority of the 25 projects being brought forward each year.

7.11 Wider impacts

79. The UK's planning system constrains delivery of both housing and infrastructure by creating uncertainty and unnecessary costs. Through a broad package of reforms, the Planning and Infrastructure Bill will reduce uncertainty, delays and costs in navigating the planning system. Where possible, the direct impacts of the Bill have been monetised. We also expect the direct benefits of time savings and delays to contribute to significant wider impacts. We consider these wider impacts qualitatively in this section.

80. By reducing costs associated with delays and appeals, the overall costs of development are reduced. As a result, developers can redirect more of their resources from planning to construction. This could generate higher productivity in the construction sector.

81. As set out in the Green Book, infrastructure can influence both the level and location of growth.[59] For example, new transport infrastructure (which may be facilitated by a number of the measures in the Bill) may provide access to use of land for new housing and development. In turn, this could allow better matching of employees and businesses (agglomeration), contributing to innovation and higher productivity. The reforms in the Bill may lead to earlier delivery of infrastructure, meaning the benefits delivered by those infrastructure projects are also yielded earlier. By reducing costs and uncertainty in the planning system, the profitability of infrastructure projects may increase at the margin. Developers may respond to this by bringing forward more infrastructure development which could deliver further benefits to society.

82. As highlighted in the discussion of SMBs above, smaller businesses are less resourced to handle delays and unexpected costs in the planning system. By reducing delays and uncertainty, more SMBs may operate (particularly in residential development) increasing competition between developers.

[59] Valuing Infrastructure Spend *[Available at: PU1798_Valuing_Infrastructure_Spend_-_lastest_draft.pdf]*

83. We expect the measures in this Bill to interact positively with wider pro-growth action including changes to the National Planning Policy Framework implemented in December 2024, the new generation of new towns, more investment in affordable housing and the ten-year infrastructure strategy.

7.12 Analytical assumptions

84. The individual annexes provide significantly more detail on the analytical assumptions used to estimate monetised impacts, including detail on scenarios and sensitivity testing to reflect uncertainties in the analysis. However, in this section we provide detail on key assumptions made that affect multiple annexes.

Housing Trajectory

85. For three annexes (Nature Restoration Fund, Planning Committees and Planning Fees), we estimate a baseline trajectory in residential planning applications. We base this trajectory on the OBR's forecast of UK net additions from the October 2024 Economic and Fiscal Outlook.[60] The last calendar year of the OBR's forecast is 2029. However, our appraisal period extends to 2035. After 2029, we assume net additions continue to grow at the rate forecast between 2027 and 2029 (an increase of just under 10k per year, reaching ~275k for England[61] in 2035).

86. These projections do not take account of the reforms the Government is making, including to the planning system via NPPF, to achieve its manifesto commitment of delivering 1.5m houses over the parliament. As a result, we expect the impacts associated with the OBR trajectory to be an under-estimate of the true impact of the measures in the Bill.

87. We have also considered a trajectory that reflects the aims of our wider reform programme, where residential applications increase so they are consistent with delivering 1.5 million homes this parliament. From the end of the Parliament, we assume net additions remain constant at this level. This is also broadly consistent with the level of net additions in the new standard method for calculating Local Housing Need set out in the recent changes to the NPPF.[62]

88. There are two steps in mapping the trajectories of net additions to a trajectory of residential planning applications for the counterfactual. First, we convert both of the net additions trajectories we are considering to an index. This index shows the number of net additions in each year of the appraisal period relative to the average number of net additions between 2021 and 2023. We then apply this index to the average number of planning applications between 2021 and 2023. Second, we apply a time adjustment to reflect that planning application decisions proceed net additions. For major residential applications, we apply a lag of 2.5 years between an application decision and a net addition (1 year between applications granted and

[60] Economic and fiscal outlook – October 2024 - Office for Budget Responsibility - detailed forecast tables: economy (Table 1.17)
[61] Net additions in England made up 88% of net additions across the UK between 2008-09 and 2022-23.
[62] Outcome of the new method for Local Housing Need [Available at: link]

development starts and 1.5 years between development starts and completions).[63] This is based on the median lag for major development across the last 5 years. For minor residential applications, we assume there is a 2 year lag (1 year between applications granted and development starts and 1 year between development starts and completions).[64]

89. In the central NPSV, EANDCB and EANDCH we report the impacts associated with the baseline (OBR-aligned) trajectory. However, in individual annexes we also report the impacts in the trajectory consistent with delivering 1.5m homes this parliament.

Infrastructure Trajectory

90. Our assumptions about the baseline trajectory for the number of Nationally Significant Infrastructure Projects (NSIPs) are also an important determinant of the scale of impact of the Bill. More detail on this trajectory is provided in the NSIP annex, but we also provide a description here.

91. The Government's ambition is to make decisions on DCO applications for 150 major infrastructure projects by the end of this Parliament. In the baseline scenario, we assume that that there will be 25 DCO decisions per year. We expect more than 25 projects per year to come forward towards the end of this Parliament, enabling the 150 target still to be met. It is expected that the relative improvements in the NSIP process should encourage greater levels of submissions via a growing pipeline, however, we have not attempted to model this growth in the analysis.

[63] This is based on data provided by Glenigan on the average time for development, more detail is provided within the annexes.
[64] Data on minor applications is less robust, so we use this assumption consistent with other MHCLG analysis.

8. Monitoring and evaluation

92. The measures in this Bill will ultimately contribute towards the Government's Clean Power 2030 mission and Plan for Change aims of building 1.5 million homes in England and fast-tracking planning decisions on at least 150 major economic projects. These headline Government milestones will be monitored using net additions data and monitoring and evaluation of major infrastructure projects via the Government Major Projects Portfolio, for example the clean power projects will be monitored through the project monitoring function Clean Power 2030 within Mission Control, as announced in the Clean Power Action Plan.

93. To achieve the aims of the Bill, the Government is undertaking a wide-ranging programme of reform, of which the Bill is just a part. Identifying and monitoring the exact effects of these reforms in a complex system, and in isolation to other reforms, is a challenging exercise. The individual measure annexes set out proportionate and robust plans for monitoring progress.

94. Critical Infrastructure reforms, planning fees, planning committees and CPOs will form part of a wider planning evaluation alongside other key reforms such as changes to the greenbelt and new housing targets. We are committed to undertaking a programme of robust process and impact evaluations to monitor the impact of reforms as well as conducting value for money assessments. These will aim to disaggregate the specific effects of policies in this bill such as changes made to planning fees whilst also gathering evidence of planning reform as a whole.

95. A planning wide Theory of Change has been completed. The evaluation will use data already collected by the department to derive indicators of broader outcomes such as the number of planning approvals, speed of applications and net additions. A feasibility study will be conducted to identify if any further data collection exercises need to be undertaken and outline impact evaluation requirements. The final evaluation design will align with MHCLG's evaluation strategy, the Magenta Book and Green Book principles. Funding to resource evaluation is naturally reliant on the Department's financial budgets, and ongoing engagement with the Exchequer in the routine way. For the remaining measures, we will work with other government departments responsible and support them to set up quality evaluations monitoring the impact of reforms. We will publish the evaluation findings in a timely manner, consistent with our policy for publication of research.

96. Other work that will contribute to our understanding of the impact of the Bill include the following:
    - **Critical infrastructure reforms:** We will carry out a comprehensive post-implementation review of measures three to five years after implementation. This timeframe strikes a balance between allowing sufficient time for changes to take effect while also allowing for early identification of issues. Given the robust pipeline of projects expected to extend through until at least 2027, we expect by this point to have a sufficient sample size to assess whether measures have improved system capacity, efficiency and uptake. We will take a both a macro system level approach and evaluate individual projects to understand how changes have impacted overall consenting times, resource allocation and system

performance. For changes to National Policy Statements we will also undertake a second five-year review to align with the policy intention.

- **Nature Restoration Fund:** In line with the standard post-implementation review approach, we will undertake a review five years after regulations have come into force monitored against our key objectives: environmental outcomes, development speed, time taken to produce a Delivery Plan and uptake by developers. This will make use of housing supply data already monitored, existing monitoring on the condition of habitats sites and new monitoring and reporting on the effectiveness of measures set out in Delivery Plans by the Delivery Body.
- **Planning fees, planning committees and CPOs:** These measures will be monitored and evaluated using data including: income received from planning application fees; MHCLG's register of CPO decisions; case law published by the Upper Tribunal; and planning data returns from Local Planning Authorities. Where relevant, we will also monitor the impact on households and businesses including SMBs.
- **Electricity bill discounts:** A post-implementation review is expected five years after scheme launch with administrative/ delivery data collected from scheme delivery partners alongside primary data collected from stakeholders including those in receipt of bill discounts and developers.
- **Highways Act 1980 and Transport and Works Act 1992 reforms:** We will undertake a proportional review five years after implementation. This will draw on feedback from applicants on relevant cases; data on the number of objections; the speed of land acquisition and the length of time it takes landowners to reclaim their land after it has been temporarily possessed; and feedback from applicants and objectors.

9. Conclusion

97. The Planning and Infrastructure Bill is a comprehensive package of reforms that will support delivery of the Government's economic growth and clean power missions and delivery of the Plan for Change milestones to deliver 1.5 million safe and decent homes and fast-track 150 planning decisions on major infrastructure by the end of this Parliament. This impact assessment provides an overview of the anticipated quantitative and qualitative impacts of relevant Bill measures. Many measures in this Bill require supporting secondary legislation to set out more fully how they will operate, which will require further assessment to fully analyse the potential impacts.

98. Over the ten year appraisal period, in present values (2025 prices, 2026 base year), the total benefits from the Bill are estimated at £5.2 billion, while the total costs are estimated at £2.0 billion.[65] This implies an overall positive impact on society equivalent to £3.2 billion.

[65] In these figures, the transfer from businesses and households to LPAs is included in both the benefits and costs (£1.1 billion in present value terms). Excluding this transfer does not impact the NPSV, but would reduce the benefits to £4.0 billion and the costs to £0.9 billion.

10. List of annexes

Delivering a faster and more certain consenting process for infrastructure

Annex 1: Nationally Significant Infrastructure Projects reform

Annex 2: Electricity network connections reforms

Annex 3: Scottish electricity infrastructure consenting reforms

Annex 4: Offshore transmission owner regime reforms

Annex 5: Long Duration Electricity Storage

Annex 6: Electricity Bill discounts scheme

Annex 7: Electric vehicle charge points reforms

Annex 8: Transport and Works Act 1992 reforms

Annex 9: Highways Act 1980 reforms

Introducing a more strategic approach to nature recovery

Annex 10: Nature Restoration Fund

Improving certainty and decision-making in the planning system

Annex 11: Planning fees sub-delegation

Annex 12: Planning Committees modernisation

Unlocking land and securing public value for large scale investment

Annex 13: Compulsory purchase order reforms

Introducing effective new mechanisms for cross-boundary strategic planning

Annex 14: Strategic planning reforms

11. Summary of measures outside of impact assessment scope

91. A number of provisions are considered out of scope of this impact assessment based on careful consideration of the Better Regulations Framework. This judgment has been based on the definition given for regulatory provisions. A ‘regulatory provision’ is a ‘statutory provision’ that relates to a ‘business activity’ which:

a) imposes or amends requirements, restrictions or conditions, or sets or amends standards or gives or amends guidance, in relation to the activity, or;
b) relates to the securing of compliance with, or the enforcement of, requirements, restrictions, conditions, standards or guidance which relate to the activity.

c) If a measure does not meet the above threshold, it has been excluded. Similarly, if a provision is seeking to do any of the following, it has been excluded:

i) imposing, abolishing, varying or in connection with any tax, duty, levy or other charge;
ii) procurement;
iii) grants or other financial assistance by or on behalf of a public authority; or
iv) commencement orders

92. Descriptions of each provision deemed out of scope of the impact assessment, alongside the rationale for exclusion, are set out in this section.

Development Corporations Legal Framework Reforms

What do these provisions do?

96. Development corporations are statutory bodies established for the purpose of urban development and regeneration. They have been historically important vehicles for delivering large-scale and complex regeneration and property development projects. Notably, they also bring with them the benefits of geographic focus, strong land assembly powers, and the ability to attract inward investment, as well as the power to harness private sector delivery expertise. They are overseen by local or central government in areas which show market failure due to complex and/or fragmented land ownership, and lack of focus and investment. Development Corporations are essential to the Government’s drive to boost housing supply and build large-scale new communities across England. There are five Development Corporation types:

- New Town Development Corporation;
- Urban Development Corporation;
- Mayoral Development Corporation;
- Locally-led New Town Development Corporation;
- Locally-led Urban Development Corporation, subject to commencement of provisions in the Levelling Up and Regeneration Act 2023 (LURA 2023).

93. The LURA 2023 recently updated and equalised the local authority planning powers that development corporations can access and introduced a new model of development corporation available to local authorities (LUDCs). However, limitations remain on the powers available to development corporations, and the use of existing development corporation models does not always sit squarely with the needs of modern-day developments, e.g. in relation to transport infrastructure and sustainability.

94. The Government's overall objective is to create a clearer, more flexible and robust framework for the operation of Development Corporations, to support housing and regeneration delivery as part of its commitment to deliver a new towns programme, other large-scale regeneration and development, and build 1.5 million new homes by the end of this Parliament.

95. At present, Development Corporations have specific remits which are too narrow to deliver the full scope of development. Development Corporations tend to have the ability to secure regeneration or deliver a new town, rather than both, and it is not clear if new town areas can be non-contiguous. The proposed reforms will provide flexibility for Development Corporations in terms of the variety, extent and types of the geographical areas over which they can operate.

96. The objectives of Development Corporations are outdated and inconsistent: Development Corporations are not required to contribute to sustainable development (apart from New Town Development Corporations) or climate change mitigation and adaption. The proposed changes to Development Corporation objectives will therefore ensure all types of Development Corporation must aim to contribute to sustainable development and climate change mitigation and adaption. Whilst these objectives could be achieved via non-regulatory means, this would leave inconsistency in the legislative framework and would not create a strong position to ensure that all Development Corporations aim to contribute to these goals.

97. Each form of Development Corporation has differing powers to provide utilities and infrastructure. Unlike Mayoral Development Corporations, New Town and Urban Development Corporations do not explicitly reference a long list of infrastructure which Development Corporations typically need to provide. New Town and Urban Development Corporations can rely on relatively broad overarching powers rather than more explicit and tailored powers. The proposed legislative changes would provide clarity and consistency to the legislative framework, and adds heat networks to the list of infrastructure all Development Corporations can provide

98. The existing powers do not reflect the current concerns around sustainable transport, in that New Town Development Corporations are restricted from providing any railway, light railway or tramway activity, whilst there are no similar restrictions for Urban or Mayoral Development Corporations. The proposed reforms remove this inconsistency and encourage collaboration between Development Corporations and transport authorities, through a duty to cooperate. If required, directions could be issued to transport authorities and the Development Corporation could take on specific transport planning powers, subject to regulations.

What is the rationale for exclusion from this impact assessment?

99. The proposed reforms are not expected to have any direct impacts on businesses. The reforms apply to the legal framework for Development Corporations, which are not businesses but statutory bodies. Although business (principally developers) work with Development Corporations, any impacts on those businesses resulting from these reforms will be indirect. First, any such impacts will <u>not</u> be immediate because any impacts would be contingent on whether and how Development Corporations use any new powers in the future, and there would be several steps before any costs are passed on to developers (Development Corporations would have to be designated and established, take on relevant powers, may acquire land, develop masterplans, etc.). Second, any indirect impacts are avoidable because developers can decide whether or not to develop on projects coordinated by Development Corporations.

100. Any indirect impacts on businesses cannot be monetised as they will be dependent on: take-up and future establishment of Development Corporations (which is discretionary), the particular powers each Development Corporation acquires, and the circumstances of the area in which each Development Corporation operates. Several of the reforms are also technical in nature and any indirect impacts will likely be relatively small. Businesses will not incur transition costs because they will not be required to change their business models or familiarise themselves with the changes in Development Corporation powers:

- Changes to the **remits and designation areas** are predominantly clarificatory in nature (except for Mayoral Development Corporations, where the remit is being expanded) and are not expected to have any negative impacts for how developers work with Development Corporations. These changes may have a minor positive impact due to improved co-ordination by ensuring that more large-scale developments can be delivered by Development Corporations.

- Changes to **objectives** will ensure that all Development Corporations must aim to contribute to sustainable development and climate change mitigation and adaptation. This will not impact developers, which already consider sustainable development, as well as climate change mitigation and adaption, when putting forward planning proposals to any planning authority.

- Changes to **transport and infrastructure powers** will update and expand the powers Development Corporations can take on. Where infrastructure powers are changing, the relevant Development Corporation types can already rely on relatively broad overarching powers. The proposed changes will make these powers more explicit and tailored but will not significantly change the infrastructure Developments Corporations can provide. Any indirect impact on businesses will therefore be minor. The changes to transport powers includes that Development Corporations may take on specific transport planning powers from transport authorities in cases where there is a lack of cooperation from transport authorities. This will provide greater coordination and faster, more streamlined decision making on key planning and delivery issues, which will likely have a minor, positive impact on relevant businesses.

Forestry Commission

Use of forestry estate for renewable electricity

What does this provision do?

101. The existing functions and duties of the "appropriate forestry authorities" (Forestry Commissioners in England, the Natural Resources Body for Wales in Wales) are set out in statute, notably in the Forestry Act 1967 and The Countryside Act 1968.

102. This provision grants powers to the appropriate forestry authorities relating to generation and sale of electricity from renewable sources, via developments undertaken on "forestry land" (this term is used to refer to the Public Forest Estate in England and the Welsh Government Woodland Estate in Wales).

103. The measure enables the appropriate forestry authorities to bring forward, directly, or through, or with developers, proposals for the generation, storage, transmission and supply of electricity from renewable sources within and across forestry land. The appropriate forestry authorities may sell the resulting electricity.

104. The measure also enables the appropriate forestry authorities to undertake activity on forestry land in connection with environmental conditions attached to renewable energy development projects undertaken under the above-mentioned provision (such as those relating to Biodiversity Net Gain).

What is the rationale for exclusion from this impact assessment?

105. This provision relates to amending a restriction on a public body rather than a business or businesses. Forestry England is an executive agency of the Forestry Commission, a non-ministerial government department sponsored by the Department for Environment, Food and Rural Affairs. Natural Resources Wales is a Welsh Government Sponsored Body. Therefore, the direct impacts of the measure fall on government bodies rather than business.

106. The measures do not directly or indirectly impose or amend requirements or restrictions on business or relate to compliance with existing requirements. Any renewable energy developers deciding to engage with Forestry England or Natural Resources Wales would not be obliged by regulatory provisions. Therefore, any second order impacts on costs/revenues of these developer businesses would be an indirect second order impact of the measures.

Harbour Order Reform

What does this provision do?

107. The Marine Maritime Organisation (MMO) currently charges fees for Harbour Orders. However, these fees are charged per service, rather than based on an hourly rate. Therefore, this measure would amend the fees already in place. This would improve cost recovery and better align with government guidance, specifically HMT's Managing Public Money, which recommends that cost recovery should be the standard approach for setting charges for public services.

108. The change in fees could help to expedite casework, improving the service businesses receive. Business would also potentially face changes to the fees they pay. Straightforward cases, which don't take much MMO time to process, could experience static or reduced fees, whereas complex cases, where more time from MMO is required, could see an increase in their fees. This is a more equitable outcome, as firms pay for the services they use, rather a system where businesses are being over/under charged for the service. Some businesses, where the hourly cost align more closely to what the current fees are, would not experience any impact. However, as the rate of cost recovery is currently low, we believe that the majority of firms are underpaying for the service and therefore that the fees will be higher on an hourly basis than the current system, and businesses will therefore experience an increase in their costs. Businesses will have the opportunity to respond to consultation when specific fees are newly proposed.

What is the rationale for exclusion from this impact assessment?

109. Per guidance given in the Better Regulations framework, provisions that are imposing, abolishing, varying or have any connection with a tax, duty, levy or other charge are excluded from the scope of this impact assessment. As a fee constitutes a charge, this measure has not been included.

Nationally Significant Infrastructure Project (NSIP) Reforms

110. The package of NSIP reforms included in the Bill is included in Annex 1, with one exception.

What does this provision do?

111. Examining Authorities use section 95(4) of the Planning Act 2008 (a power to award costs in relation to an application to make a Development Consent Order (DCO) or a NSIP) to award costs incurred by partied as part of their engagement in the DCO process. Parties could include statutory consultees, local authorities or those affected by compulsory acquisition. This is currently operated via the Local Government Act (1972) s250 however this is now aging legislation and does not match the more front-loaded Planning Act 2008.

112. The new measure (worded as a direct power to determine cost applications) seeks to clarify existing legislation and ensure consistency with other TCPA or CPO inquiries to allow Examining Authorities to award costs where an application has been accepted for examination but is withdrawn before the preliminary meeting. For example, a party may spend significant amounts of time and effort engaging in an application ahead of the preliminary meeting stage or be affected by a compulsory acquisition request that does not go ahead. This can discourage early engagement and participation in the process, which places emphasis on addressing issues ahead of examination where possible.

113. The power in section 95(4) of the Planning Act 2008 to have the effect that an Examining Authority can make an order for costs at any time after they have been appointed. This will ensure that as the NSIP system continues to evolve there will be the correct alignment of powers to underpin incentives for parties to engage at the earliest stage of project development.

What is the rationale for exclusion from this impact assessment?

114. This provision does not introduce a new regulatory power but clarifies a point of law. Businesses may be both applicants and parties to a DCO so there is no net cost to business as a whole.

Reforms to the Highway Act 1980

115. Of the five measures which make up the package of Highways Act 1980 reforms, two (which relate to powers of temporary possession and statutory deadlines) have been included in the impact assessment. However, the measures to introduce powers for cost recovery to the regime, amendments to procedures for certain orders and schemes, and the power for the strategic highways company to initiate the making or unmaking of trunk roads have been excluded.

What do these provisions do?

116. The cost recovery provision will enable and formalise the process for statutory bodies and local authorities to [re]charge for their input to pre-application phase, during Inquiry and post-consent stages. It is a new measure which aims to save time overall in the delivery of the projects by aligning resourcing decisions with demand and/or funding so organisations provide quality inputs in a timely manner enhancing the design evolution of the project. This should, in theory, lead to reduced costs for projects overall, as it may reduce the number and scale of objections made later on in the consenting process or late design changes that cost more to implement at a late stage. This measure could also:

- lead to a better quality of, and a timelier, service being delivered by statutory bodies and local planning authorities.
- result in an increased cost to applicants as they will pay for services provided to them during Highways Act applications.

117. The Secretary of State will be empowered to stipulate which bodies can and cannot charge for the services they provide on a cost recovery basis. The secondary legislation will also require public bodies that are allowed to charge to set out on a website maintained by them, the following information:

- when a fee (including a supplementary fee) may, and may not, be charged;
- the amount which may be charged;
- what may, and may not, be taken into account in calculating the amount charged;
- who is liable to pay a fee charged;
- when a fee charged is payable;
- the recovery of fees charged;
- waiver, reduction or repayment of fees;

- the effect of paying or failing to pay fees charged including when a relevant service may be withheld until any outstanding fees for that service are paid; and
- What information applicants need to provide.

118. The inclusion of this secondary legislation is intended to ensure flexibility. By not specifying the bodies in the primary legislation, the intention is for so that the list of prescribed bodies may be kept under review and updated as appropriate. Furthermore, by not setting out the fees that bodies can charge, the fees can be updated so that they are truly cost recovering, by considering factors such as inflation.

119. Amendments to the procedures for handling certain orders and schemes will remove the need to publish a Statutory Instrument whilst ensuring that the final orders/schemes and a summary of any modifications are published on an official website.

120. Amendments to allow the strategic highways company to initiate the making or unmaking of trunk roads will allow for the orders to be submitted as 'made' orders to be 'confirmed' by the Secretary of State.

121. The above two measures will result in enhanced clarity and speed through offering a more streamlined procedure and reducing procedural disparities across the handling of various HA80 orders and schemes. Case studies show a time saving of at least 4 to 6 weeks. The amendment is expected to have limited impact, as section 10 orders are mainly made by National Highways for England's trunk roads.

What is the rationale for exclusion from this impact assessment?

122. Cost recovery constitutes a charge and therefore is considered out of scope of this impact assessment. Provisions in connection with 'imposing, abolishing, varying or in connection with any tax, duty, levy or other charge' are set out in the Better Regulation Framework as exempt.

123. The two procedural amendments to the handling of certain orders and schemes impact on internal Government processes or on National Highways. As the reforms do not have a direct business impact, the measure is therefore considered out of scope of the impact assessment.

Transport and Works Act 1992 Reforms

124. The Bill contains a number of reforms to the Transport and Works Act 1992 to streamline and improve efficiency of delivering small / light rail infrastructure schemes including. Nine measures have been excluded from the overall annex. This leaves one measure (which seeks to enable additional statutory authorisations to be secured through the Transport and Works Act Order (TWAO) to allow applicants to seek powers relating to construction and operation of a scheme through a single process.

125. The excluded measures and the justification that sets out why they are out of scope of the impact assessment are below.

What do these provisions do?

126. The cost recovery measure is a new measure that will enable and formalise the process for statutory bodies and local authorities to [re]charge for their input to pre-application phase, during Inquiry and post-consent stages for the Transport and Works Act. Introducing cost recovery aims to save time overall in the delivery of the projects, by supporting the necessary resource in the relevant bodies required to deliver advice on these applications. The timing and quality of advice may improve as a result and encourage relevant bodies to engage earlier which may reduce the number and scale of objections made later on in the consenting process and costs associated with managing these. This measure could also mean:

- Applicants will pay for services provided to them during TWA applications. This may result in increased consultations costs for applicants.
- This should lead to a better quality of, and a timelier, service being delivered by statutory bodies and local planning authorities to applicants.

127. The statutory deadlines provision will amend some of the statutory time limits set out in the Applications and Objections Procedure Rules (2006 rules) and – if a public inquiry is held – in the Transport and Works (Inquiries Procedure) Rules 2004 and will allow new ones to be added e.g. for the three highlighted below. Legislation will sets out the deadlines for various stages of the determination process not already defined, e.g. maximum timescales for:

- Inquiry duration
- Inspectors Report
- SoS decision

128. The revoking model clauses measure seeks to remove model clauses from legislation and put them into guidance. This legislation relates to the Transport and Works (Model Clauses for Railways and Tramways) Order 2006 (UK Statutory Instruments 2006 No. 1954). By placing the Model Clauses in guidance, there will be greater clarity of use and flexibility of Model Clauses in the Order drafting as well as a streamlined process to keep these updated.

129. A measure seeks to amend an existing provision and remove the need for two rounds of resolutions to be passed by a LPA before submitting an application under section 20 of the Transport and Works Act 1992.

130. The public inquiry costs measure clarifies that the costs of Public Inquiries are covered by applicants. It aims to provide greater clarity for applicants on the process and costs involved as well as eliminating delays to orders being issued by ensuring timely receipt of payments throughout the application process.

131. A measure would allow decisions on cost claims against another party to be made by the Planning Inspectorate (PINS). By delegating claims to the Planning Inspectorate to decide rather than the Secretary of State or Welsh ministers, there will be quicker resolution of claims for all stakeholders involved as well as a reduced administrative burden in determining such cases.

132. The clarifying amendments procedure measure would make clear that the TWA can be used to amend made TWA Orders (this is to make explicit that this can be done under TWA). This is already done in practice through reliance on the Interpretations Act but this amendment will mean this Act does not need to be relied on. Clarifying the amendment procedures for made TWA Orders will help minimise objections and ambiguity in the process.

133. A measure seeks to clarify that even if a statutory objector or local authority objects, the objection still needs to be substantial for a Public Inquiry or Hearing to be held. This relates to S10(3) and S10(4) of TWA. By clarifying that an objection needs to be substantial it should save time and money spent on public inquiries by all parties due to an objection with limited detail.

134. Finally, a measure seeks to repeal section 9 of the TWA. This relates to proposals that in the opinion of the Secretary of State are of national significance. The Planning Act 2008 has since been introduced which has clearly defined thresholds for what is considered of national significance, thereby making this provision redundant. Therefore removing it will:

- Provide clarity for all parties
- Reduce the risk of a challenge to future large schemes where the SoS concluded they were not nationally significant for the purpose of section 9.

What is the rationale for exclusion from this impact assessment?

135. Provisions are out of scope of the impact when in connection with 'imposing, abolishing, varying or in connection with any tax, duty, levy or other charge'. Cost recovery is clearly a charge and therefore out of scope for an IA. This exemption applies to the cost recovery measure.

136. The statutory deadlines measure will predominately impact Government through requiring quicker processing of applications. This measure is out of scope for an IA as the only potential impact is providing certainty of timescales which is not a direct business impact. Businesses that are objecting to applications for Transport and Works Act orders will have less time to respond but will still have an opportunity. The new and updated statutory deadlines will provide greater certainty to applicants and key stakeholders (both of which could be businesses) and delays to projects will be reduced through the determination period. The impact of the package of measures will be evaluated after around 5 years. Given the low number of TWA applications, this is likely to be the minimum timescale to ensure that adequate data is available. Should there be an indication that businesses are impacted, this can be addressed through further legislative or non-legislative changes as necessary.

137. The measure revoking model clauses is considered out of scope of the IA as it is an amendment to the process within Government so does not have a direct business impact. As this will simply change the form that Model Clauses are presented in (moving them from secondary legislation to guidance) it is not considered that there will be any impact on business and that monitoring of this is not necessary.

138. The provision which streamlines the process for section 20 TWA applications and this is out of scope of an IA as it is an amendment to the process within local Government so does not have a

direct business impact. As this amendment will only impact the public sector, it is not considered necessary or proportionate to monitor impacts on business.

139. The public inquiry costs measure is not within the scope of an IA as this is about clarifying legislation and therefore would not have a direct impact on businesses. Similarly, the provision clarifying amendments procedure for TWA is outside of scope for the IA as this measure seeks to clarify legislation and has no direct impact on business. As both amendments simply clarifies existing wording and processes, it is not considered necessary or proportionate to monitor impacts on business.

140. The measure which allows decisions on costs claims against another party to be made by the Planning Inspectorate (PINS) is not in scope of an IA as this changes the process for Government only, therefore there is no business impact. As this is an amendment to internal Government processes only, it is not considered necessary or proportionate to monitor impacts on business.

141. The provision seeks to clarify the requirement for public inquiries or hearings when statutory or local authorities object has been deemed out of scope on the basis that the provision is clarifying rather than changing the substance of the legislation. The impact of the package of measures will be evaluated after around 5 years. Given the low number of TWA applications, this is likely to be the minimum amount of time to ensure useful data. Should there be an indication that businesses are impacted, this can be addressed through further legislative or non-legislative changes as necessary.

142. Finally, the provision which repeals section nine of the TWA is not considered as in scope because this changes the process for Government only, therefore there is no business impact. As this is an amendment to internal Government processes only, it is not considered necessary or proportionate to monitor impacts on business.

Scottish consenting reforms to the Electricity Act 1989

143. Of the reforms being made to the Electricity Act 1989 to streamline the consenting process for electricity infrastructure consenting process in Scotland, some relate to the charging of fees.

What do these provisions do?

144. The Scottish Government cannot charge fees for processing applications for necessary wayleaves (statutory rights that allow electricity licence holders to install and access their electricity lines and associated infrastructure on land owned by others). The reform would allow the Scottish Government to charge the network operator fees at the point of application submission.

145. A limited power for Scottish and UK Ministers to amend the Electricity Works (Environmental Impact Assessment) (Scotland) Regulations 2017 would, in addition to other effects, allow the Scottish Government to charge developers fees for screening and scoping opinions on a cost recovery basis.

What is the rationale for exclusion from this impact assessment?

146. As per guidance given in the Better Regulations framework, provisions which are imposing, abolishing, varying or have any connection with a tax, duty, levy or other charge are excluded from the scope of this impact assessment. As a fee constitutes a charge, these measures have not been included in the wider calculations for the Scottish consenting reforms.