

ANNEX 12: Planning committee modernisation

Regulatory scorecard

Part A: Overall and stakeholder impacts

1. Overall impacts on total welfare

| Category | Description of impact | Directional rating |
|---|--|--------------------|
| Description of overall expected impact | <p>We expect that reforming planning committees will streamline the process for securing planning permission. This will yield direct benefits to developers (applicants for planning permission) following from a reduction in determination times and appeals. These benefits are a cost saving associated with a reduction in the cost of holding capital (both for land held up in committee decision making and appeals) and a reduction in the costs associated with appeals. Local Planning Authorities (LPAs) and the Planning Inspectorate (PINS) will also benefit directly from a reduction in the costs associated with appeals.</p> <p>Mandating training for committee members and controlling the size of planning committees are expected to improve the quality of decision making. However, any impacts to businesses or households associated with these two measures are expected to be indirect.</p> | Positive |
| Monetised impacts | <p>NPSV (2025 prices, 2026 base year): £509.4 million (Low: £102.6 million and High: £1,352.3 million)</p> <p>Central direct monetised impacts (NPSV in 2025 prices, 2026 base year):</p> <ul style="list-style-type: none"> • Reduction in costs of holding capital related to determination times (to developers): £329.5 million • Reduction in costs of holding capital related to appeals (to developers): £127.8 million • Reduction in costs related to appeals (to developers): £46.0 million • Reduction in costs related to appeals (to public sector): £6.1 million • Familiarisation costs (to public sector): <£100,000 | Positive |
| Non-monetised impacts | We expect the package of measures to result in improved quality of decision making and may further reduce appeals and deliver further time savings. However, where we classify these impacts as indirect, we have not attempted to monetise them. | Positive |
| Any significant or adverse distributional impacts? | <p>We do not expect this measure to have significant distributional impacts so we have rated this as neutral.</p> <p>Smaller businesses are more burdened by delays and costs associated with securing planning permission. As a result, for an individual application that would have gone to a planning committee in the counterfactual, we expect micro, small and medium businesses would benefit more from the reforms to planning committees. However, planning committees tend to focus on larger applications, which are more likely to come from larger developers. As a result, more applications from larger developers are likely to be impacted by these reforms. While the impacts are expected to be positive for all types of developers, the overall distribution of impact is uncertain. We do not expect impact these impacts to be significant or adverse.</p> | Neutral |

2. Expected impacts on businesses

| Category | Description of impact | Directional rating |
|---|--|--------------------|
| Description of overall business impact | As set out above, we expect the reforms to planning committees to streamline the process for securing planning permissions. As a result, developers will face a reduction in costs of holding capital and costs related to appeals. | Positive |
| Monetised impacts | <p>NPBV (2025 prices, 2026 base year): £503.3 million (Low: £101.1 million & High: £1,340.1 million):</p> <ul style="list-style-type: none"> Reduction in costs of holding capital related to determination times (to developers): £329.5 million Reduction in costs of holding capital related to appeals (to developers): £127.8 million Reduction in costs related to appeals (to developers): £46.0 million <p>EANDCB: -£58.5 million (Low: -£11.7 million & High: -£155.7 million)</p> <p>We do not expect these impacts will be passed through to households.</p> | Positive |
| Non-monetised impacts | As set out above, we expect the measures to result in a reduction in determination times beyond just the elimination of appeals. However, we consider this impact to be indirect and so have not monetised it. | Positive |
| Any significant or adverse distributional impacts? | <p>We do not expect this measure to have significant distributional impacts so we have rated this as neutral.</p> <p>Smaller businesses are more burdened by delays and costs associated with securing planning permission. As a result, for an individual application that would have gone to a planning committee in the counterfactual, we expect micro, small and medium businesses would benefit more from the reforms to planning committees. However, planning committees tend to focus on larger applications, which are more likely to come from larger developers. As a result, more applications from larger developers are likely to be impacted by these reforms. While the impacts are expected to be positive for all types of developers, the overall distribution of impact is uncertain. We do not expect impact these impacts to be significant or adverse.</p> | Neutral |

3. Expected impacts on households

| Category | Description of impact | Directional rating |
|---|--|--------------------|
| Description of overall household impact | We do not expect this measure to have direct impacts on households. As outlined above, the measures result in reduced costs to developers. Developers are likely to retain most of these cost savings. While some of the cost savings may be passed through to households in the form of lower prices, this pass through would be indirect. However, we expect there to be wider positive impacts on households (non-monetised). | Positive |
| Monetised impacts | We have not identified any direct impacts on households. | Neutral |
| Non-monetised impacts | <p>We expect there to be some positive wider impacts associated with streamlining planning committees, potential wider impacts include:</p> <ul style="list-style-type: none"> Faster delivery of housing Localised impacts on housing availability and affordability | Positive |
| Any significant or adverse distributional impacts? | No significant or adverse distributional impacts identified for households. | Neutral |

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? | <p>As highlighted above, we expect the measures to streamline the process for securing planning permission. This is expected to improve the business environment, as developers are more certain about the planning decision making. We have identified a direct benefit of £503.3 million in savings to business.</p> <p>We also expect increased certainty and reduced holding costs may promote more development (though this would be an indirect impact).</p> | May work for |
| International considerations: Does the measure support international trade and investment? | This measure is not expected to have direct trade or investment impacts. | Neutral |
| Natural capital and decarbonisation: Does the measure support commitments to improve the environment and decarbonise? | There are no significant environmental or natural capital impacts related to these measures, as the impact on housing supply is relatively small. Matters relating to the environment will continue to be robustly considered in the planning process. | Neutral |

Summary: Analysis and evidence

Price base year: 2025

Present Value base year: 2026

| | Options | |
|---|---------------------------------|--|
| Metric | 1. Business as usual (baseline) | 2. Preferred way forward (if not do minimum) |
| Net present social value (with brief description, including ranges, of individual costs and benefits) | N/A | <p>NPSV (2025 prices, 2026 base year): £509.4m (Low: £102.6m and High: £1,352.3m) EANDCB: -£58.5m (Low: -£11.7m & High: -£155.7m)</p> <p>Central monetised impacts (NPSV in 2025 prices, 2026 base year):</p> <ul style="list-style-type: none"> Reduction in costs of holding capital related to determination times (to developers): £329.5m Reduction in costs of holding capital related to appeals (to developers): £127.8m Reduction in costs related to appeals (to developers): £46.0m Reduction in costs related to appeals (to public sector): £6.1m Familiarisation costs (to public sector): <£100,000 |
| Public sector financial costs (with brief description, including ranges) | N/A | <p>Monetised impacts:</p> <ul style="list-style-type: none"> Reduction in costs related to appeals (to public sector): - £6.1 million (£1.5 million - £12.1 million) Familiarisation costs (to public sector): <£100,000 |
| Significant un-quantified benefits and costs (description, with scale where possible) | N/A | <p>We expect the national scheme of delegation to result in faster decision making for applications that are not directly affected by the national scheme of delegation, as resources are freed up to process applications faster. This will yield further time savings. However, we consider this impact to be indirect and so have not monetised it.</p> |
| Key risks (and risk costs, and optimism bias, where relevant) | N/A | <p>At this stage, there is still some uncertainty about the final model for the national scheme of delegation. To estimate the scale of impact, we consider scenarios for the how the national scheme of delegation will affect the number of appeals. This means there is considerable uncertainty in the analysis. As a result we have provided a wide range around this assumption (which is reflected in the wide range between low and high NPSV)</p> <p>We assume there is no significant behaviour change associated with the national scheme of delegation</p> |
| Results of sensitivity analysis | N/A | <p>In addition to the low and high scenarios (included above), we consider an alternative trajectory consistent with delivering 1.5 million homes this Parliament. In this trajectory, there are more residential applications. As a result, the impacts of these reforms is expected to be higher. NPSV £765.8 million (Low: £153.7 million, High: £2,036.9 million)</p> |

Evidence base

Policy background

1. The Government has been consistently clear in its commitment to driving economic growth in our country with a key target of building 1.5 million homes by the end of this Parliament. An effective planning system is essential to delivering this target, ensuring a solid foundation is in place to support further economic growth. There is a clear need to implement rapid changes to ensure we will deliver the necessary housing and infrastructure.
2. Planning committees are a critical part of the planning system and are currently not operating as effectively as possible. The measures proposed to reforming planning committees intend to facilitate faster decision-making on applications and ensure greater standardisation over the operation of committees, in turn providing for a more efficient service and a greater certainty to applicants.
3. In England planning decisions by Local Planning Authorities (LPAs) are the responsibility of planning committees, although they can delegate decisions to officers. Currently, each LPA has their own scheme of delegation which sets out which types of planning application should be determined by planning officers, and which should be determined by committee. The vast majority of planning decisions made by LPAs are made by planning officers (96%), however particularly large or contentious schemes are generally referred to the committee.¹ These committees are made up of elected members who represent various political parties and wards within the local planning authority.
4. For the remaining applications that go to planning committees (often the largest and most important), the current system can delay decisions on schemes which have already been considered through the local plans process. In turn, this delays good outcomes for places and for communities, wasting the time of councillors and applicants.

Problem under consideration

5. The issues the Government is seeking to address are as follows:
 - First, many local schemes of delegation are not sufficiently clear about whether an application will go to committee. This can cause uncertainty for developers, as the way a decision is made may not be agreed until the last minute.
 - Second, too much time is spent considering applications which are compliant with the local plan, especially where the development would be on an allocated site and where there are clear policy requirements for the site in the local plan.
 - Third, in some of these instances the development is rejected against officer advice only to be overturned on appeal, delaying appropriate development and wasting taxpayers' money.
 - Fourth, there can be insufficient understanding among all committee members of planning principles and law, inhibiting their ability to make decision in line with these principles and law, in turn making these decisions more vulnerable to be overturned on appeal.
 - Fifth, there is a lack of transparency of the consequences of committee decisions – especially if a committee refuses an application and there is a successful appeal with costs awarded against the local planning authority.

¹ Figures for April-June 2024, Table P133, MHCLG planning statistics [Available at: [Live tables on planning application statistics - GOV.UK](#)] (January 2025)

Rationale for intervention

6. The Government set out its plans to accelerate the delivery of housing and infrastructure in the King's Speech. As part of these plans, we want to modernise the way planning committees work. Currently they impose unnecessary delays on some planning applications that are refused, appealed and then ultimately approved. We are also concerned that some applications are revisited by committees unnecessarily when they can be dealt with by professional planners after the principle of development has already been agreed by councillors through the local plan process. By reforming planning committees, the process for securing planning permission for housing and infrastructure can be accelerated.
7. As the framework for planning committees is largely set out in local government legislation, reforms to modernise planning committees can only be resolved through bringing forward primary legislation. Whilst the Government could issue guidance or recommendations to LPAs on planning committees, enacting these reforms through primary legislation will ensure uniformity across the system and that planning committees are operating in the same way.
8. It is vital that while planning committees provide local democratic oversight of planning decisions, they operate as effectively as possible, focusing on those applications which require member input and not revisiting the same decisions. This Government intervention, by streamlining the process for securing planning permission, will benefit planning applicants. It will also ensure that planning professionals are fully supported in their role and their skills and experience are put to best use, allowing them to resolve more applications more quickly, in service of residents and businesses.

Policy objectives

9. These measures aim to:
 - encourage better quality development that is aligned with the development plan;
 - support delivery of the quality homes and places that our communities need; and
 - ensure fewer developments are delayed by unjustified planning decisions.

The SMART objectives are as follows:

10. **Specific:** The key objectives of these measures is to make the operation of planning committees more effective and improve the quality and speed of decision making.
11. **Measurable:** The success of this policy will be measured through the monitoring of planning application data to understand which applications are being determined at committee, and to understand if there is a drop in the rate of applications overturned at committee. National planning statistics will start to record this data by individual LPAs from 2025. We will also collect data on the outcome of appeals to see whether there is a reduction in the number of appeals, where the decision of the local planning authority, either by officer or committee, is overturned.
12. **Achievable:** Introducing a national scheme of delegation will free up committees to focus their resources on complex or contentious development – for instance those not aligned with the development plan – where local democratic oversight is required. This approach will empower planning professionals to make sound planning decisions on more compliant cases and avoid the delay and extra resources needed where applications are unnecessarily referred to committees. It will also give greater certainty to developers and communities as to how development will be scrutinised by their local planning authority. Regulating the size of

committees and introducing mandatory training for committee members will help to improve the quality of debate and decision making by committees.

13. **Realistic:** Prior to bringing forward these measures, the government published a working paper, [*Planning Reform Working Paper: Planning Committees*](#), to seek views on this matter. As part of our engagement on the working paper we held workshops and meetings with key stakeholders including local planning authorities and chairs of planning committees. These sessions along with the written responses to the working paper indicated a broad consensus that, while local democratic accountability of planning decisions is important, the decision making of planning committees can be improved significantly and that government intervention would help to drive up performance.
14. **Time bound:** We will publish a consultation paper during the course of the Bill on detailed proposals on how these measures might work in practice. Responses to that consultation will inform the regulations which are required to fully implement the measures. We will also work with the sector to put in place the necessary arrangements for member training (for example, materials, providers, certification). The intention is that the measures will be commenced in as soon as possible, taking into consideration changes to local authorities and the political cycle.

Description of options considered

Option zero: Do nothing (business as usual)

15. Business as usual would continue in the following key areas:

- **Delegation:** Planning committees continue to operate as they currently do. This would not result in any changes aimed at supporting better decision making and clarity for the development sector over the decision-making process for schemes in accordance with the development plan.
- **Training:** Continuing of current system, with ad hoc training provided by LPAs which is inconsistent across the country.
- **Size of planning committees:** Continuing the current system where it is up to LA's to determine the size of their planning committees – sometimes unnecessarily large and unruly.

Option one: Preferred option (national scheme of delegation, mandatory training and control of the size of planning committees)

National scheme of delegation: Delegation where an application complies with development plan

16. This option aims to ensure that planning committees time is utilised more effectively by focusing planning committees on those proposals which do not comply with the development plan. Proposals for allocated sites (including which comply the policy requirements for the allocated site) would be delegated to officers for decision. LPAs would still be free to set their own delegation criteria for developments which do not comply with the development plan.
17. In doing so, this will ensure that there is more certainty that proposals which are compliant with the development plan – e.g. the proposed development is an allocated site and complies with key policy requirements will not be held up by unjustified decisions by planning committees –

and reinforce a plan-led approach to planning. Elected members will have already approved the allocations and policies when the local plan was adopted.

18. This approach would apply to other types of applications such as reserve matter approvals, discharge of conditions or other special consents. For instance, where applications were made for reserved matters for an outline planning permission, and these applications were compliant with the development plan, these would be delegated to officers, but if it was a departure, it could be considered by the planning committee. Similarly, it could apply to minor applications that, whilst not necessarily allocated in a local plan, could be in accordance with (or not) the local development plan and national policy depending on the type of proposal.

Mandatory training: Require members to undertake training before they can make planning decisions

19. This option would ensure members understand key planning principles, propriety, and new planning issues so that decision making by committees is better informed and decisions are more robust. This would involve prohibiting members who have not undertaken the training from making decisions.
20. It is important that planning committee members are sufficiently trained in planning matters before they make decisions. Planning is a complex area – drawing on regulations, case law, and policy requirements – and it is important that planning committees which are undertaking a regulatory function are able to make robust decisions. Unfortunately, there are still too many decisions being made where the planning justification is weak, and the decision is overturned on appeal, creating delays and uncertainty.
21. It is also unusual for a regulatory function as complex as planning not to require core training for key decision makers: in other regulatory environments it would be seen to be a pre-requisite. For instance, in Scotland, elected members who sit on licensing boards are required to undertake mandatory training before they can take up a position on the board. In England, while the Licensing Act 2003 does not specifically include provisions for mandatory training of members, it strongly recommends that such members receive proper training to ensure they understand the complexities of licensing law and policy.

Regulating the size of planning committees

22. Our engagement sessions taken place prior to the introduction of the Bill has revealed an appetite among the sector to have a centrally prescribed control of the number of members allowed to sit on planning committees. Best practice indicates a committee of 8-11 members is optimal for informed debate about proposals and we have gathered through our working paper evidence that there are still too many committees with large numbers of members who often do not participate effectively. We do not expect this to have any direct impacts on business.

Option two: Alternative legislative option

National scheme of delegation: Delegation as default with a prescriptive list of exceptions

23. As an alternative approach to the national scheme of delegation, the default would be that all applications are delegated to officers, but the national scheme would set out a prescriptive list of application types to be determined by committees to provide certainty to applicants from the start.

24. This approach does not focus on whether an application complies or generally departs from the development plan, but replaces it with a more specific approach linked to key common tests in national policy and development plans to provide greater clarity and consistency to applicants (e.g. applications should go to committee if they are for major residential development not on an allocated site).
25. This approach would be the most prescriptive to set centrally. It would have the benefit of providing greater clarity on those application types which must be considered by planning committees in a way that was wholly consistent across the country, providing the greatest certainty to applicants. It would however leave little room for local interpretation, and a common list of required committee applications may miss significant local variations in application types, for example where there is a particularly controversial listed building consent application. It would also not provide for as clear a link between compliance with the development plan and the scheme of delegation, reducing the incentives for developers to comply.

Option three: non-legislative option

26. A non-legislative approach to improving the operation of planning committees would be to rely on guidance and training alone to encourage good practice.
27. The Planning Advisory Service (PAS), which receives grant funding from Ministry of Housing, Communities and Local Government (MHCLG) to support to local planning authorities, already publishes guidance on planning committees and offers training to members of committees. It also offers peer review challenges of planning departments. While this is helpful in promoting good practice and many local planning authorities take advantage of these opportunities, it does not provide the clarity and consistency of approach across England that the government is trying to achieve.
28. The government's engagement around its working paper, *Planning Reform Working Paper: Planning Committees*, indicated a broad consensus that the decision making of planning committees can be improved significantly and that government intervention would help to drive up performance. In particular, the engagement showed strong support for a national scheme of delegation and mandatory training.

Summary of preferred option and implementation plan

29. Publication of the [Planning committees reform working paper](#) on 9th December 2024 put forward the Government's proposals for introducing primary legislation on its preferred approaches to this policy and posed a series of questions to the sector to promote discussion on the proposed measures. The paper invited views on the proposed approach, with informal engagement taking place prior to Bill introduction with relevant stakeholders.
30. Secondary legislation resulting from measures introduced on the face of the Bill will also be subject to full formal consultation, which we plan launch alongside the Bill's passage. Any further impact resulting from the introduction of secondary legislation will also be appropriately assessed through publication of further analysis of impact.

31. Once primary legislation is implemented, we intend to bring forward secondary legislation as soon as possible after Royal Assent on the national scheme of delegation. Introduction of secondary legislation on mandatory training for committee members will take place in due course, once policy has been further developed to refine the desired training scheme. Any secondary legislation brought forward will be subject to negative procedure.
32. LPAs will be responsible for the ongoing operation and enforcement of the proposals, including mandatory training of committee members and on the delegation of applications to officers (as required). On mandatory training, this means that LPAs will be under obligation to publish information on which members are certified as trained.
33. However, the Government envisages that the mandatory training and certification would be principally provided online, and to do this, the Government would procure a provider to prepare the training programme. If the preferred option of mandatory member training is taken forward, the Government would provide resource for training under the new burdens' doctrine. We are interested in how LPAs currently provide training for their members and will work with the sector on the detail of any training programme. As such, the preferred approach of implementation will enable scope for experimentation and/or piloting.

NPSV: monetised and non-monetised costs and benefits of each shortlist option (including administrative burden)

Impact assessment approach

34. As set out above, the Planning and Infrastructure Bill will establish powers to reform the operation of planning committees. The specific model for the reforms is uncertain at this primary legislation stage. Secondary legislation will be required to implement a preferred option, on the basis of consultation. This consultation will provide additional evidence for a secondary legislation stage impact assessment relating to the reforms. In this primary legislation stage impact assessment, we focus on providing an indication of the likely scale of direct impacts to business using proportional analysis.
35. We have monetised direct impacts to business (in the form of cost savings) related to the national scheme of delegation. Other impacts related to this measure are considered in the non-monetised section. We have not identified any direct impacts to business or households from the other two measures relating to the reform of planning committees: requiring LPAs to provide mandatory training to planning committees and requiring LPAs to establish dedicated committees for strategic development. We have provided qualitative analysis relating to these two measures in the non-monetised impacts section below.
36. The national scheme of delegation will mean certain applications that would have been decided by planning committees in the counterfactual will, in the policy option, automatically be decided by planning officers. We expect this will result in direct benefits (cost savings) to developers, relative to the counterfactual. There are two sources of direct benefits: reductions in determination times (time savings) and reductions in appeals (yielding both time savings and a reduction in appeal-related costs).

Direct impact one: Reduction in determination times

37. Any application in the counterfactual that would have been decided by committee, but in the policy option is delegated to officers, will experience time savings. We classify this as a direct impact because the time savings follow immediately and unavoidably from delegating the decision to officers. For some applications, the national scheme of delegation automatically removes a step in the decision-making process, delivering time savings to developers.

38. There are three stages to monetising this direct impact:

- Estimate the number of applications per year across the appraisal period.
- Estimate the impact of the national scheme of delegation on the number of applications decided by committee.
- Monetise the direct impacts that follow from the reduction in determination times.

Establishing a baseline – reduction in determination times

Categories of Planning Applications

39. To conduct this analysis, we segment planning applications into four categories: major residential, minor residential, major commercial and minor commercial. The table below provides a definition of minor and major development for both residential and commercial applications.² This step is necessary as cost savings per application vary significantly between the different types of applications.

Table 1.1: Classification of Planning Applications

| | Residential | Commercial |
|-------|---|--|
| Major | Where the number of dwelling/houses to be provided is 10 or more; or the development is to be carried out on a site having an area of 0.5 hectares or more and it is not known whether the number of dwelling/houses to be provided is 10 or more. | Where the floor space to be created by the development is 1000 square metres or more or where development carried out on a site having an area of 1 hectare or more; |
| Minor | Where the number of dwelling/houses to be provided is between 1 and 9 inclusive on a site having an area of less than 1 hectare. Where the number of dwelling/houses to be provided is not known, a site area of less than 0.5 hectares should be used as the definition of a minor development | Where the floor space to be created is less than 1,000 square metres or where the site area is less than 1 hectare. |

Trajectories for estimating the number of applications in the counterfactual

40. We consider how residential applications may change from recent levels. We define recent levels as the three-year average of 2021, 2022 and 2023 calculated from published planning data.³ In the baseline trajectory, we assume residential applications grow with the Office for Budgetary Responsibility's (OBR) forecast of UK net additions from the October 2024 Economic and Fiscal

² MHCLG Planning Statistics Guidance Notes [Available at: [PS1 and PS2: 'district' planning matters return - guidance notes - GOV.UK](#)] (January 2025)

³ Live Table P120A (residential) and P120B (commercial) [Available at: <https://www.gov.uk/government/statistical-data-sets/live-tables-on-planning-application-statistics>] (January 2025)

Outlook.⁴ The last calendar year of this forecast is 2029. 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 in 2035).⁵

41. These projections do not take account of the reforms the Government is making, including to the planning system via the NPPF, to achieve its manifesto commitment of delivering 1.5m houses over the parliament. We also consider a trajectory where residential applications increase so they are consistent with delivering 1.5 million homes this Parliament. This requires the delivery of 374k net additions per year from 2027. 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.⁶
42. Planning application decisions proceed net additions. For major residential applications, we use data from Glenigan on the time between planning decisions and completions to map the net additions trajectory onto a planning application trajectory. We find that over the last five years the median lag between being granted planning permission and starting development is 0.7 years. The median lag between start and completion is 1.7 years. Consequently we assume a 2.5-year lag between major residential application decisions and net additions.⁷ Data on start dates for minor residential applications (1-9 dwellings) is less robust. We assume there is one year between receiving planning permission and starting development, and one year between starting and completing development. As a result, we assume the trajectory in minor residential applications proceeds the trajectory in net additions by two years. Our trajectories for each of the four types of planning application are set out in Table 2.
43. We assume the overall number of commercial applications will remain constant at the five-year average from between 2019 and 2023, calculated from published planning data.⁸ We use a five-year average here to prevent recent fluctuations from distorting the analysis. Unlike residential applications, we do not have evidence to suggest these applications will increase from recent levels. Consequently, we assume they remain flat throughout the appraisal period.

Table 1.2: Annual Number of Planning Applications (000s)

| | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | Yearly Average |
|--|------|------|------|------|------|------|------|------|------|------|----------------|
| Baseline Trajectory (OBR aligned) | | | | | | | | | | | |
| Major Res | 4.8 | 5.0 | 5.3 | 5.5 | 5.7 | 5.9 | 6.2 | 6.4 | 6.6 | 6.8 | 5.8 |
| Minor Res | 39.5 | 41.3 | 43.1 | 44.9 | 46.7 | 48.5 | 50.3 | 52.1 | 53.9 | 55.7 | 47.6 |
| Major Comm | 1.7 | 1.7 | 1.7 | 1.7 | 1.7 | 1.7 | 1.7 | 1.7 | 1.7 | 1.7 | 1.7 |
| Minor Comm | 6.5 | 6.5 | 6.5 | 6.5 | 6.5 | 6.5 | 6.5 | 6.5 | 6.5 | 6.5 | 6.5 |

⁴ Detailed forecast tables: economy (Table 1.17) [Available at: [Economic and fiscal outlook – October 2024 - Office for Budget Responsibility](#)] (January 2025)

⁵ Net additions in England made up 88% of net additions across the UK between 2008-09 and 2022-23.

⁶ Local Housing Need - Outcome of the New Standard method [Available at: <https://assets.publishing.service.gov.uk/media/675aaeca9f669f2e28ce2b91/lhn-outcome-of-the-new-method.ods>] (January 2025)

⁷ For estimating these lags, we define major applications as those containing 10-500. Very few applications larger than 500 application are included in the Glenigan data used to estimate these lags, so we have not included these. However, as we use the median lag, we do not expect the exclusion of applications containing 500+ dwellings to significantly distort this analysis.

⁸ Live Table P120A (residential) and P120B (commercial) [Available at: <https://www.gov.uk/government/statistical-data-sets/live-tables-on-planning-application-statistics>] (January 2025)

| 1.5 million aligned Trajectory | | | | | | | | | | | |
|--------------------------------|------|------|------|------|------|------|------|------|------|------|------|
| Major Res | 8.8 | 8.8 | 8.8 | 8.8 | 8.8 | 8.8 | 8.8 | 8.8 | 8.8 | 8.8 | 8.8 |
| Minor Res | 70.6 | 70.6 | 70.6 | 70.6 | 70.6 | 70.6 | 70.6 | 70.6 | 70.6 | 70.6 | 70.6 |
| Major Comm | 1.7 | 1.7 | 1.7 | 1.7 | 1.7 | 1.7 | 1.7 | 1.7 | 1.7 | 1.7 | 1.7 |
| Minor Comm | 6.5 | 6.5 | 6.5 | 6.5 | 6.5 | 6.5 | 6.5 | 6.5 | 6.5 | 6.5 | 6.5 |

Estimating the impact of a national scheme of delegation on determination times

Estimating number of affected applications

44. All applications that are determined by committee in the counterfactual but are delegated in the policy option will experience time savings. Planning officers spend a similar amount of time preparing a report on an application regardless of whether the decision is ultimately delegated or made by committee. The committee stage is an additional element of the process. For applications that no longer go to committee, there are genuine time savings as a result of removing this step in the decision-making process.
45. To estimate the number of affected applications we draw on evidence collected by HMG officials on decisions made by planning committees across a sample of 18 representative LPAs across 2022-23.⁹ This analysis indicated that 48% of all major residential development decisions and 5% of all minor residential development decisions were made by committee. This reflects the fact that committees tend to focus on larger and more controversial applications. We summarise our estimates for the number of applications going to committee in Table 1.3.

Evidence from Planning Committee Reports

MHCLG's internal analysis on planning committee reports looked at a sample of 18 representative LPAs across the country, randomly selected from different categories of types of authorities (e.g. rural England, Urban London etc). For each application that goes to committee, a report is published online on the LPA website alongside minutes of committee decision making.

We looked at a sample of committee reports from each authority and used this to calculate the percentage of major and minor applications for residential development going to planning committee. This is used in identifying the baseline number of decisions made by committee. Of decisions going to committee, we calculated the percentage applications that had a local plan allocation, were refused at committee and subsequently taken to appeal.

Table 1.3: Average annual number of applications decided by committees

| Baseline Trajectory (OBR aligned) | | |
|-----------------------------------|--------------------------------------|-------------------------------------|
| | Residential | Commercial |
| Major | 2,792 (48% of all major res apps) | 837 (48% of all major comm apps) |
| Minor | 2,381 (5% of all minor res apps) | 326 (5% of all minor comm apps) |
| 1.5 million aligned Trajectory | | |

⁹ This information was extracted from the committee reports of individual LPAs.

| | Residential | Commercial |
|-------|------------------------------------|----------------------------------|
| Major | 4,220 (48% of all applications) | 837 (48% of all applications) |
| Minor | 3,531 (5% of all applications) | 326 (5% of all applications) |

46. At this primary legislation stage, the nature of the national scheme of delegation and therefore the number of affected applications is uncertain. Consequently, we conduct scenario analysis on how the national scheme of delegation will reduce the number of applications going to committees. We make prudent assumptions about the nature of the national scheme of delegation to identify a potential range of impact. As more information on the preferred model becomes available, including information from the consultation, we will update this analysis. Table 1.4 presents the impact that the national scheme of delegation will have on the number of applications decided by committee.

47. We expect the national scheme of delegation will affect a reasonable minority of major applications decided by committee in the counterfactual. However, evidence is very limited, so we apply a policy assumption that there will be a 25% reduction in decisions made by committee as a result of the national scheme of delegation, based on anecdotal evidence relating to applications sent to committee that are in local plans versus windfall and unallocated sites. We apply a range of 15-35% in the low and high scenario to reflect this uncertainty. We expect minor applications will be less affected than major applications, as they are less likely to be included in a local plan allocation. We reflect this in a lower estimate of impact of only 5% (with a range of 0-10%).

Table 1.4: Percentage reduction in applications decided by committee

| | Residential | Commercial |
|-------|-------------------------------|-------------------------------|
| Major | 25% (Low: 15% & High: 35%) | 25% (Low: 15% & High: 35%) |
| Minor | 5% (Low: 0% & High: 10%) | 5% (Low: 0% & High: 10%) |

48. We estimate the number of applications affected by the national scheme of delegation by applying these percentages to the annual average number of applications (summarised in Table 1.3).

Table 1.5: Average annual reduction in applications decided by committee

| Baseline Trajectory (OBR aligned) | | |
|-----------------------------------|-------------|------------|
| | Residential | Commercial |
| Major | 698 | 209 |
| Minor | 119 | 16 |
| 1.5 million aligned Trajectory | | |
| | Residential | Commercial |
| Major | 1,055 | 209 |
| Minor | 177 | 16 |

Estimating time saved

49. Planning committees typically meet monthly. Specific materials need to be prepared for applications before they can go to committee. Applicants may also have wait to make it onto the agenda for a committee meeting. We do not have published data on the additional time taken for applications to go through the committee stage. However, we use evidence from stakeholders to estimate this time savings.

50. We assume different levels of time savings for major and minor applications. We expect the time savings to be smaller for major applications for two reasons. Firstly, major applications are more likely to be prioritised by committees. Secondly, major applications are more likely to have an agreed committee determination date that they work towards. Conversely, for the ~5% of minor applications that do go to committee, they are more likely to be 'called in' by the committee at a later stage. As a result, they are likely to face more delays in securing a slot on the agenda. We assume major applications save between 15 days and 45 days (central: 30 days) as a result of not going to committee. We assume minor applications save between 30 days and 90 days (central: 60 days).

51. We apply these estimates of time saved per application to the number of affected applications in each year of the appraisal period summarised above in Table 1.5. This yields an estimate of the annual number of days saved (across all applications), summarised in Table 1.6 below for the central scenario.

Table 1.6: Average (across the appraisal period) days saved per year across all applications

| Baseline Trajectory (OBR aligned) | | |
|-----------------------------------|-------------|------------|
| | Residential | Commercial |
| Major | 20,937 | 6,281 |
| Minor | 7,143 | 978 |
| 1.5 million aligned Trajectory | | |
| | Residential | Commercial |
| Major | 31,646 | 6,281 |
| Minor | 10,593 | 978 |

Reduction in the cost of holding capital for applications that no longer go to committee

52. We apply an approach set out by Ball (2010),¹⁰ and used in RPC-DLUHC-5179(2) to monetise the time saving impact.¹¹ Developers face financing and opportunity costs in holding onto land and other assets while applications are going through the appeals process.

Capital cost per day

53. We estimate an average cost of holding capital per day for each of the four categories of application (major, minor, residential and commercial). This approach yields an estimate of the cost of borrowing, by developers, to finance the purchase of land for building residential or

¹⁰ National Housing and Planning Advisory Unit (2010), Housing Supply and Planning Controls: the impact of planning control processing times on housing supply in England,

<http://www.communities.gov.uk/documents/507390/pdf/1436960.pdf> (January 2025) Figures have been updated using latest available data on land values from the Valuation Office Agency and reflect current development sizes.

¹¹ Annexes to the Levelling Up and Regeneration Bill Impact Assessment [Available at: [LevellingUpandRegenerationBillImpactAssessmentAnnexes.pdf](#)] (January 2025)

industrial premises. We update this approach from previous IAs with new data to reach an updated cost of capital per day.

54. There are three stages to this process. First, we estimate the quantity of land required per application. Second, we estimate the value of this land using Valuation Office Agency (VOA) data to estimate how much capital needs to be borrowed to purchase this. Finally, we calculate the daily cost of holding this capital. In the following section, we apply these estimates to the number of days saved.
55. For residential applications, we use Glenigan data¹² and published MHCLG statistics¹³ to estimate the average number of dwellings for major and minor residential projects. Glenigan data indicates that over the last three years, the average major approved application contained 97.8 and the average minor approved application contained 2.7 dwellings. We use these values in our calculation of the capital costs per day in the high scenario. However, applying these figures to the number of planning applications directly leads to an over-estimate of the number of homes consented per year, relative to the published MHCLG statistics on the annual number of housing units granted planning permission.¹⁴
56. For our low scenario, we constrain our estimate of the number of dwellings per application to align to MHCLG statistics on total dwellings granted permission. To do this, we combine the Glenigan estimates of site size with published MHCLG statistics on the number of major and minor applications granted (we use a three-year average of 2021, 2022 and 2023) to estimate the proportion of dwellings granted that are from major and minor residential applications. We find that 83% of dwellings came from major developments and 17% of dwellings came from minor developments. We combine this with three-year average estimate of the total number of units granted permission (~284,000) to estimate the annual number of dwellings approved in major applications (~237,000) and minor applications (~47,000). We divide this by the number of major and minor applications in the last three years to reach a constrained estimate of the average number of dwellings in major applications (54.4) and minor applications (1.5). We use these constrained figures in our low scenario. In our central scenario, we use the central of the two (76.1 for major and 2.1 for minor).
57. Using VOA data on land values,¹⁵ we estimate the value of land for a typical dwelling using a weighted average of residential land values across all LAs in England.¹⁶ In 2025 prices, this is a value of £133,000 per dwelling. Following the appraisal guide,¹⁷ we uprate real land values to grow in line with the OBR's forecast of real GDP growth each year.¹⁸ We estimate the value of

¹² For more information on Glenigan planning permission data see: [Planning applications in England: July to September 2024 - GOV.UK](#) (January 2025)

¹³ Live Table P120A (residential) [Available at: <https://www.gov.uk/government/statistical-data-sets/live-tables-on-planning-application-statistics>] (January 2025)

¹⁴ MHCLG Statistics - Number of housing units granted planning permission [Available at: [Planning applications in England: April to June 2024 - data for charts - Figure 6](#)] (January 2025)

¹⁵ VOA Land Value Estimates [Available at: [Land value estimates for policy appraisal 2019 - GOV.UK](#)] (January 2025)

¹⁶ For each LA, we produce a weighted-average of greenfield and brownfield land values based on the proportion of new residential addresses that were on previously developed land ([Table P302](#)). We produce an average for England by weighting land values for each LA by the historic completions.

¹⁷ MHCLG Appraisal Guide [Available at: [DLUHC appraisal guide - GOV.UK](#)] (January 2025)

¹⁸ The final calendar year of the OBR's October 2024 Economic and Fiscal Outlook is 2029. Between 2026 and 2029 real GDP growth is relatively consistent at around 1.55% per year. We assume this level of real GDP growth continues until the end of the appraisal period in 2035. [Forecast available in Table 1.1 at: [Economy Detailed forecast tables October 2024.xlsx](#)] (January 2025)

land per major and minor residential application by applying these uplifted land values for a typical dwelling to the size of a typical application (average across appraisal period of £11.6 million for major and £0.3 million for minor in the central scenario). As set out in more detail below, we use an adjusted forecast of the base rate to estimate the annual cost of holding capital and divide by 365 to convert to a daily cost. As shown in the table below, the cost of holding capital for a major residential application is significantly higher than for a minor residential application as a result of the higher quantity (and therefore cost) of land for these applications.

58. For commercial applications, we follow a similar process that is also consistent with the approach used in RPC-DLUHC-5179(2).¹⁹ Instead of estimating the number of commercial buildings per application, we estimate the area of land per commercial application. Using Glenigan data, we estimate that major commercial projects have a median site area of 1.1 hectares and minor commercial projects have a median site area of 0.15 hectares.²⁰ We use these values across all scenarios as we do not have a published estimate of commercial floor area consented to constrain our estimates to. We estimate the average commercial land value by hectare in England by weighting VOA industrial land values²¹ by VOA business floor space data from 2023.²² In 2025 prices, this is a value of £980,000 per hectare. As above, we uprate real land values each year in line with the OBR's forecast of real GDP growth. We apply this estimate of commercial land value by hectare to the typical size of a major and minor commercial application. This yields a total land value for a typical application. As set out in more detail below, we use an adjusted forecast of the base rate to estimate the annual cost of holding capital, and divide by 365 to convert to a daily cost.

59. The OBR's forecast of the Base Rate is used up to 2029, the final year of the OBR's forecast. We then assume the Base Rate will remain at this level until 2035, the final year of the appraisal period. Across the 10-year appraisal period, this yields an average rate of 3.6%. Following the approach used by Ball (2010),²³ and used in RPC-DLUHC-5179(2),²⁴ we apply a 2% point uplift to the base rate to reflect costs of finance. We estimate the cost of capital by applying this uplifted interest rate to the average cost of land for an application of each type (from above). This yields the values in Table 1.7 below.²⁵

Table 1.7: Average Cost of Capital per Day across the 10-year appraisal period to nearest £ (2025 prices)

| | Residential | Commercial |
|-------|------------------------------|------------|
| Major | £1,760 (£1,260 to £2,261) | £229 |
| Minor | £49 (£35 to £63) | £31 |

¹⁹ Annexes to the Levelling Up and Regeneration Bill Impact Assessment [Available at: [LevellingUpandRegenerationBillImpactAssessmentAnnexes.pdf](#)] (January 2025)

²⁰ These estimates are based on data from 2021, we assume the average site area for commercial applications has not changed significantly in the last few years.

²¹ VOA Land Value Estimates [Available at: [Land value estimates for policy appraisal 2019 - GOV.UK](#)] (January 2025)

²² Business Floor Space Data [Available at: [Non-domestic rating: stock of properties collection - GOV.UK](#)] (January 2025)

²³ National Housing and Planning Advisory Unit (2010), Housing Supply and Planning Controls: the impact of planning control processing times on housing supply in England, <http://www.communities.gov.uk/documents/507390/pdf/1436960.pdf> (January 2025) Figures have been updated using latest available data on land values from the Valuation Office Agency and reflect current development sizes.

²⁴ Annexes to the Levelling Up and Regeneration Bill Impact Assessment [Available at: [LevellingUpandRegenerationBillImpactAssessmentAnnexes.pdf](#)] (January 2025)

²⁵ We report averages across the appraisal period here, but the costs vary slightly throughout the appraisal period as both the base rate and land values are forecast to change in line with the OBR's forecasts.

Total cost-savings from reduction in determination times

60. For each of the four categories of application, we apply the estimates of capital costs per day to the total number of days saved each year. This yields the estimate of cost savings to developers from the reduction in determination times presented in Table 1.8. In the baseline trajectory, we estimate that the NPV (in 2025 price and 2026 PV) is just under £330 million.

Table 1.8: Reduction in costs of holding capital (£ millions, 2025 prices, annual values undiscounted)

| 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | NPV |
|--|------|------|------|------|------|------|------|------|------|-------|
| Baseline Trajectory (OBR aligned) | | | | | | | | | | |
| 30.8 | 32.0 | 33.6 | 35.5 | 37.5 | 39.5 | 41.6 | 43.7 | 45.9 | 48.1 | 329.5 |
| 1.5 million aligned Trajectory | | | | | | | | | | |
| 55.2 | 54.8 | 55.3 | 56.1 | 57.0 | 57.9 | 58.8 | 59.7 | 60.6 | 61.6 | 494.7 |

Direct impact two: Reduction in appeals (and associated costs)

57. For a subset of applications that would have been decided by committee, but are delegated in the policy option, we also expect there to be a reduction in costs associated with appeals (both costs of appeals and costs of holding capital for land tied up in appeals). For the majority of applications that are delegated, the change in decision maker will not impact the outcome of the application (whether it is granted or refused). Applications that would be refused in the counterfactual by both a planning committee and planning officers will still be refused. Applications that would be approved in the counterfactual by officers will still be approved by officers. However, the national scheme of delegation will result in some applications being decided (and granted) by an officer when they would have been rejected by committee in the counterfactual. Table 1.9 highlights the type of applications where we expect these direct impacts (and how they relate to the direct benefit of reductions in determination times (direct impact 1)).

58. We classify these benefits as direct because they follow unavoidably from the national scheme of delegation prescribing which types of planning application should be decided by planning officers. For affected applications, the national scheme of delegation immediately changes the decision maker from planning committee to planning officer. Where there is a disagreement between officers and committees, we expect this will result in a reduction in refusals.

Table 1.9: Applications resulting in direct impacts²⁶

| | | Committee | |
|----------|--------|---|--|
| | | Grant | Refuse |
| Officers | Grant | Direct Impact 1: reduction in determination times | Direct Impact 1: reduction in determination times Direct Impact 2: reduction in appeals |
| | Refuse | N/A (applications refused by officers do not go to committee) | Direct Impact 1: reduction in determination times |

59. By reducing the number of refusals against officer recommendation, the national scheme of delegation will also reduce the number of appeals. These appeals are costly to both applicants

²⁶ The approach to estimating the reduction in determination times (Direct Impact 1) is set out in the previous section.

and LPAs. As a result, there are direct benefits (in the form of cost savings) from the national scheme of delegation. In monetising these impacts, we apply an approach used in RPC-DLUHC-5179(2).²⁷ We will refine this analysis further at secondary stage Impact Assessment.

60. There are four stages in our analysis to monetising these direct impacts:

- Estimate the number of appeals per year across the appraisal period.
- Estimate the number of appeals relating to the planning committee refusals against officer recommendations
- Estimate the reduction in appeals resulting from the National Scheme of Delegation.
- Monetise the direct impacts that follow from the reduction in appeals.

Establishing a baseline – reduction in appeals

Estimating number of appeals in the counterfactual

61. The number of appeals is related to the overall number of applications. As set out above (and summarised in Table 1.2), we consider two trajectories for the increase in residential applications from recent levels and we assume commercial applications remain flat at the five-year average.

62. We hold data on the number of appeals for major residential, minor residential, major commercial and minor commercial.²⁸ We calculate a five-year average (between 2019 and 2023) for the number appeals in each category, as shown in Table 1.10.

Table 1.10 Annual Appeals and Percentage of Applications Appealed (average between 2019 and 2023)

| | Residential | Commercial |
|-------|----------------|-------------|
| Major | 616 (10%) | 71 (4%) |
| Minor | 4,858 (11%) | 537 (8%) |

63. In the last 5 years, the number of appeals has remained relatively constant as a proportion of total applications decided.²⁹ We assume the number of appeals remains constant as a proportion of the total number of applications decided. We apply the trajectory for planning applications set out in the previous section, to average level of appeals in recent years (shown in Table 1.10). This yields a higher number of residential appeals (than recent levels) as we expect the number of residential planning applications to increase. The number of commercial appeals is expected to remain constant. Table 1.11 presents the average annual number of appeals across the appraisal period.

Table 1.11 Annual Appeals (average across appraisal period)

²⁷ Annexes to the Levelling Up and Regeneration Bill Impact Assessment [Available at: [LevellingUpandRegenerationBillImpactAssessmentAnnexes.pdf](#)]

²⁸ Table 2.3 - s78 planning appeals received [Available at: [Planning Inspectorate Quarterly and Annual Volume Statistics - GOV.UK](#)] Note: For commercial, we aggregate appeals relating to: (1) manufacturing, storage and warehousing, (2) offices and (3) retail, distribution and servicing. We repeat this for both major and minor commercial applications.

²⁹ Based on a comparison of Table 2.3 - s78 planning appeals received [Available at: [Planning Inspectorate Quarterly and Annual Volume Statistics - GOV.UK](#)] and Live Table P120A (residential) and P120B (commercial) [Available at: <https://www.gov.uk/government/statistical-data-sets/live-tables-on-planning-application-statistics>]

| Baseline Trajectory (OBR aligned) | | |
|-----------------------------------|-------------|------------|
| | Residential | Commercial |
| Major | 664 | 71 |
| Minor | 5,240 | 537 |
| 1.5 million aligned Trajectory | | |
| | Residential | Commercial |
| Major | 1,004 | 71 |
| Minor | 7,920 | 537 |

Estimate number of appeals relating to decisions made by planning committees against the recommendation of a planning officer in the counterfactual

64. We focus analysis on appeals that may be avoided in the policy option. These are appeals relating to applications that are refused by committees against the recommendation of planning officers.

65. We use analysis by Lichfields to estimate the proportion of these appeals that relate to a refusal by a planning committee against the recommendation of a planning officer.³⁰ Lichfields analysed appeals relating to residential planning applications (containing more than 50 more dwellings) between January 2021 and August 2024. They found that 33% of these appeals related to refusals by planning committees against officer recommendation. Other appeals related to non-determination (21%) or refusals in line with officer recommendations (46%). The Lichfields analysis focuses on appeals relating to a subset of major residential applications. It does not cover appeals relating to: major residential applications containing 50 dwellings or fewer, minor residential applications, or any commercial applications. We do not hold an equivalent disaggregation of the nature of appeals for these other categories. In addition, published data is not available on the share of planning application decisions made by committee for the four subsets of planning applications (major and minor, residential and commercial).

66. In the absence of additional data, we assume the 33% figure is appropriate to apply to all appeals relating to major applications (both residential and commercial). This is based on the assumption that a similar level of scrutiny is applied to major applications, regardless of whether they are residential or commercial.

67. As described above, government analysis of planning committee reports indicated that 48% of all major residential development decisions and 5% of all minor residential development decisions were made by committee. This reflects the fact that committees tend to focus on larger and more controversial applications. That is, a major residential application is nearly 10 times (9.6) more likely to be decided by committee than a minor residential application. Therefore, it would not be appropriate to assume that 33% of minor appeals relate to planning committee refusals against officer recommendations.

68. As a smaller share of minor applications are decided by committee, we expect the share of minor appeals related to committee refusals against officer recommendations will also be lower for minor appeals than for major appeals. Consequently, we adjust the percentage of minor appeals relating to committee refusal against officer recommendation to 3% ($33\% \div 9.6$).

³⁰ Lichfields (2024) Reform and Strengthen [Available at: [Reform and Strengthen: Will the draft NPPF changes to the presumption in favour of sustainable development be sufficient to meet the Government's growth objectives?](#)] (January 2025)

69. Again, in the absence of alternative data we assume this applies to all minor applications (both residential and commercial). We estimate the total number of appeals relating to refusals by committee against officer recommendation (summarised in Table 1.12) by applying these percentages (33% of major appeals and 3% of minor appeals) to the annual number of appeals (summarised in Table 1.11).

Table 1.12: Annual Appeals relating to refusals by committee against officer recommendation (average across appraisal period)

| Baseline Trajectory (OBR aligned) | | |
|-----------------------------------|---------------------------------------|---------------------------------------|
| | Residential | Commercial |
| Major | 220 (33% of all major res appeals) | 23 (33% of all major comm appeals) |
| Minor | 181 (3% of all minor res appeals) | 19 (3% of all minor comm appeals) |
| 1.5 million aligned Trajectory | | |
| | Residential | Commercial |
| Major | 333 (33% of all major res appeals) | 23 (33% of all major comm appeals) |
| Minor | 274 (3% of all minor res appeals) | 19 (3% of all minor comm appeals) |

Estimating the impact of a national scheme of delegation on appeals

Reduction in appeals

70. The national scheme of delegation will set out to all LPAs what types of applications must be delegated. We expect this will result in fewer decisions being decided by committees. An application that is refused by committee against the recommendation of officers in the counterfactual, but is delegated in the policy option, will be granted in the policy option (in line with the officer's initial recommendation). As set out above, at this primary legislation stage, the nature of the national scheme of delegation and therefore the number of affected applications is uncertain. Consequently, we conduct scenario analysis. As more information on the preferred model becomes available, including information from the consultation, we will update this analysis.

71. From an investigation into committee reports by MHCLG officials, 40% of major appeals related to applications refused by a planning committee despite being included in a local plan. Under the national scheme of delegation, these applications would instead be determined by planning officers. Given their compliance with the local plan we assume they would be approved and therefore no longer refused and appealed. This 40% estimate was based off a very small sample size. As a result, we take the prudent assumption to apply this as an upper bound, this mitigates the risk of overstating the impact of the national scheme of delegation on appeals. We use a 20% reduction in the central analysis, as shown in Table 1.13. Given the uncertainty, we conduct sensitivity testing to highlight the potential range of impacts, summarised in Table 1.22 and 1.23 below (Low: 5% and High: 40%).

Table 1.13: Percentage reduction in appeals relating to refusals by committee against the recommendation of officers

| | Residential | Commercial |
|-------|-------------|------------|
| Major | 20% | 20% |

| | | |
|--------------|------------------------------|------------------------------|
| | (Low: 5% & High: 40%) | (Low: 5% & High: 40%) |
| Minor | 20% (Low: 5% & High: 40%) | 20% (Low: 5% & High: 40%) |

72. We apply the percentages in Table 1.13 to the annual appeals relating to refusals by committee against officer recommendation (summarised in Table 1.12) to estimate the reduction in appeals because of the National Scheme of Delegation. This is summarised in Table 1.14. In the baseline trajectory, we expect the average annual number of appeals to be reduced by 85. In the 1.5m aligned trajectory, we expect the average annual number of appeals to be reduced by 121.

Table 1.14: Estimated annual average reduction in appeals under the national scheme of delegation

| Baseline Trajectory (OBR aligned) | | |
|--|--------------------|-------------------|
| | Residential | Commercial |
| Major | 44 | 5 |
| Minor | 36 | 4 |
| 1.5 million aligned Trajectory | | |
| | Residential | Commercial |
| Major | 67 | 5 |
| Minor | 55 | 4 |

Disaggregation of appeals

73. We disaggregate appeals into three categories, as the costs vary significantly depending on the nature of the appeal. Using Planning Inspectorate Appeals Database,³¹ we estimate the proportion of planning appeals of different types. We filter the casework database for planning appeals related to the refusal of planning permission. We then estimate the proportion of appeals that are written representations, hearings, and inquiries for each of the four segments of appeals.³² Table 1.15 shows an estimate for the percentage of appeals of each type in the five-years from July 2019 to June 2024. We find that almost all appeals relating to minor development are written representations. However, a significant minority of major appeals advance to hearing and inquiry.

Table 1.15: Percentage of Appeals of each type

| | Written Representations | Hearing | Inquiry |
|--------------------------|--------------------------------|----------------|----------------|
| Major Residential | 54% | 25% | 21% |
| Minor Residential | 97% | 3% | 0% |
| Major Commercial | 71% | 14% | 15% |
| Minor Commercial | 96% | 3% | 1% |

³¹ Planning Inspectorate Casework Database [Available here: [Planning Inspectorate Casework Database - GOV.UK](#)] (January 2025)

³² While the Planning Inspectorate statistical release [Available here: [Planning Inspectorate statistical release 24 October 2024 - GOV.UK](#)] contains information on the proportion of appeals of each type. However, this is not disaggregated into the different segments we consider in this analysis. Consequently, we calculate the percentage of appeals directly from the Casework Database.

74. We apply the percentages in Table 1.15 to the reduction in appeals from the previous section (Table 1.14). This yields an estimate of the annual reduction in each type of appeal, for each segment as shown in Table 1.16.

Table 1.16: Annual Reduction in average number of appeals of each type across appraisal period³³

| Baseline Trajectory (OBR aligned) | | | | |
|--|--------------------------------|----------------|----------------|--------------|
| | Written Representations | Hearing | Inquiry | Total |
| Major Residential | 24 | 11 | 9 | 44 |
| Minor Residential | 35 | 1 | 0 | 36 |
| Major Commercial | 3 | 1 | 1 | 5 |
| Minor Commercial | 4 | 0 | 0 | 4 |
| Total | 66 | 13 | 10 | 89 |
| 1.5 million aligned Trajectory | | | | |
| | Written Representations | Hearing | Inquiry | Total |
| Major Residential | 36 | 17 | 14 | 67 |
| Minor Residential | 53 | 2 | 0 | 55 |
| Major Commercial | 3 | 1 | 1 | 5 |
| Minor Commercial | 4 | 0 | 0 | 4 |
| Total | 96 | 19 | 15 | 130 |

Reduction in appeal-related costs

75. The reduction in unjustified refusals, and therefore appeals, results in cost savings to businesses. To quantify the reduction in appeal-related costs, we apply an approach used in the RPC-DLUHC-5179(2).³⁴ There are no fees associated with submitting an appeal. However, the appellant faces costs in preparing the appeal, the costs of expert witnesses and legal representation.³⁵ Costs vary significantly depending on the nature of the appeal. The costs associated with written representations, the most common type of appeal, are significantly lower than both hearings and inquiries. Inquiries are the most complex and the most expensive form of appeal. Table 1.17 summarises costs per appeal to different affected groups.

76. We use the same appeal-related cost estimates as in the RPC-DLUHC-5179(2),³⁶ uplifting to 2025 prices. As we do not hold detailed evidence on the cost of appeals to appellants, a range of costs were ascertained by discussion with an experienced inspector with extensive private sector experience who also obtained information from other practitioners. This provided the basis for illustrative assumptions to reflect the potential cost savings from a reduction in appeals. These assumptions were sense tested internally with staff who have practical experience of the planning process at a senior level, and the ranges adopted reflect the degree of uncertainty. We report the impacts associated with the low and high scenarios in the sensitivity testing section below.

³³ Numbers may not sum due to rounding to nearest 1.

³⁴ Annexes to the Levelling Up and Regeneration Bill Impact Assessment [*Available at: [LevellingUpandRegenerationBillImpactAssessmentAnnexes.pdf](#)*] (January 2025)

³⁵ Appellants also face costs in the form of holding capital in land that is undergoing appeal. We estimate this impact separately, in the next section.

³⁶ Annexes to the Levelling Up and Regeneration Bill Impact Assessment [*Available at: [LevellingUpandRegenerationBillImpactAssessmentAnnexes.pdf](#)*] (January 2025)

77. In addition to the costs to appellants, there are wider costs associated with appeals. PINS faces costs associated with inspector's time spent in considering the appeal. We take the mean unit cost from the 2018-19 to 2020-21 obtained from the Planning Inspectorate, uplifted to 2025 prices.

78. LPAs also incur costs in preparing for an appeal as well as any costs associated with bringing in expert witnesses and legal representation. In the absence of further evidence on this, we have uprated the estimates produced in the 2012 Impact Assessment for the National Planning Policy Framework (NPPF) to 2025 prices.³⁷

Table 1.17: Costs per appeal (2025 prices, rounded to nearest thousand)

| Appeal type | Appellant | LPA | PINS |
|------------------------|--|--------|---------|
| Written Representation | £8,000 - £14,000 (Central: £11,000) | £1,000 | £2,000 |
| Hearings | £25,000 - £125,000 (Central: £75,000) | £2,00 | £9,000 |
| Inquiries | £251,000 - £501,000 (Central: £376,000) | £5,000 | £33,000 |

79. We multiply this appeal cost per case by the number of appeals. This gives an estimate of the cost savings as a result of this policy intervention, shown in Table 1.18. For ease of presentation we aggregate the impacts across the four categories of applications.

Table 1.18: Annual cost savings (£000s) to business from reduction in appeal-related costs (2025 prices, annual values are undiscounted)

| | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | NPV |
|--|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|-------------|
| Baseline Trajectory (OBR aligned) | | | | | | | | | | | |
| To appellants (developers) | 4.5 | 4.7 | 4.9 | 5.1 | 5.3 | 5.5 | 5.7 | 5.9 | 6.1 | 6.3 | 46.0 |
| To LPAs/councils | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.2 | 0.2 | 1.2 |
| To PINS | 0.5 | 0.5 | 0.5 | 0.5 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.7 | 4.9 |
| Total | 5.1 | 5.3 | 5.6 | 5.8 | 6.0 | 6.2 | 6.4 | 6.7 | 6.9 | 7.1 | 52.1 |
| 1.5 million aligned Trajectory | | | | | | | | | | | |
| To appellants (developers) | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 68.5 |
| To LPAs/councils | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 1.7 |
| To PINS | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 7.3 |
| Total | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 9.0 | 77.6 |

Reduction in the cost of holding capital for applications held up by appeals

80. In addition to the reduction in appeal-related costs, streamlining the application process will also result in savings relating to the cost of holding capital as fewer applications are held up in the

³⁷ National Planning Policy Framework: Impact assessment [Available at: [National Planning Policy Framework: Impact assessment](#)] (January 2025)

appeal process. As set out above, the cost of holding capital is related to the quantity of land, the value of land, the interest rate, and the time land is held for. By avoiding time lost to the appeals process, developers will reduce these costs by commencing and completing development more quickly. These apply in addition to the time savings from the reduction in determination times from skipping committees. For an application that would have been refused by committee and then appealed in the counterfactual, but would be delegated and approved in the policy option, there are time savings from both avoiding the committee stage (direct benefit 1, captured above) and time savings from avoiding the appeal process (direct benefit 2, captured in this section).

Number of days lost in appeal

81. To estimate this impact, we need to estimate how many days are saved from avoiding appeals in the policy option. The Planning Inspectorate publish statistics on the median number of weeks for planning appeals of different types.³⁸ Between October 2023 and September 2024, the median length of appeal was: 26.7 weeks (187 days) for written representations, 24 weeks (168 days) for hearings and 29.5 weeks (206.5 days) for inquiries.

82. We apply these durations to the annual reduction in appeals each type (summarised in Table 1.16) to reach an estimate of the number of days lost to appeals in the policy option. An estimate of the total days saved is summarised in Table 1.19. As highlighted in the previous section, written representations involve fewer appeal-related costs than hearings or inquiries. However, they are the most common type of appeal and still take a significant amount of time to decide. As a result, just under 75% of days saved in appeal relate to written representations. To estimate the cost savings from avoided appeals, we need to apply the total days saved to the capital cost per day.

Table 1.19: Annual Average Days lost in Appeal across the appraisal period

| Baseline Trajectory (OBR aligned) | | | |
|--|--------------------------------|----------------|----------------|
| | Written Representations | Hearing | Inquiry |
| Major Residential | 4,428 | 1,842 | 1,944 |
| Minor Residential | 6,532 | 192 | 26 |
| Major Commercial | 620 | 113 | 143 |
| Minor Commercial | 666 | 19 | 7 |
| 1.5 million aligned Trajectory | | | |
| | Written Representations | Hearing | Inquiry |
| Major Residential | 6,693 | 2,784 | 2,938 |
| Minor Residential | 9,873 | 290 | 40 |
| Major Commercial | 620 | 113 | 143 |
| Minor Commercial | 666 | 19 | 7 |

83. We assume appeal lengths will remain constant in the counterfactual throughout the appraisal period, as there is no consistent trend in the length of appeals over the last 12 months. More detailed modelling of the length of appeals is not proportionate.³⁹

³⁸ [Annex A Word Planning Inspectorate Statistical Release October 2024.pdf](#) (January 2025)

³⁹ In the policy option, the reduced number of appeals may result in remaining appeals being decided faster. This may provide further cost savings to developers. However, we treat this as an indirect impact as covered below.

Total cost-savings from reduction in appeal-related costs

84. As a result of fewer appeals, developers face reduced costs associated with financing the purchase of land for development. These costs are calculated by multiplying the estimated number of days saved as a result of fewer appeals by the savings average cost of capital per day (calculated in relation to direct impact 1 above). This total impact is reported in Table 1.20.

Table 1.20: Cost savings (£000s) from reduction in capital costs relating to reduction in appeals, across appraisal period in 2025 prices

| | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | NPSV |
|--|------|------|------|------|------|------|------|------|------|------|-------|
| Baseline Trajectory (OBR aligned) | | | | | | | | | | | |
| To appellants (developers) | 11.9 | 12.4 | 13.0 | 13.8 | 14.5 | 15.3 | 16.2 | 17.0 | 17.9 | 18.7 | 127.8 |
| 1.5 million aligned Trajectory | | | | | | | | | | | |
| To appellants (developers) | 21.6 | 21.5 | 21.6 | 22.0 | 22.3 | 22.6 | 23.0 | 23.4 | 23.7 | 24.1 | 193.5 |

Familiarisation costs

85. We estimate familiarisation costs to businesses and LPAs using the following formula:

$$\text{Familiarisation cost} = N \times E \times T \times W$$

Where:

N is the number of affected businesses by business size

E is the number of affected employees per business who are responsible for familiarising with the legislation

T is the time taken for relevant employees to familiarise with the legislation

W is the average wage rate per year for the relevant employees

Businesses

86. We do not expect there to be any familiarisation costs to businesses. The measures do not require any change in business behaviour. Instead, applications will still be submitted in the same way but determined in a different manner.

LPAs

87. There are 326 LPAs. We estimate that 3 members of staff per LPA will need to familiarise themselves with the changes (a head of planning, a team leader for development management and a team leader for policy) and cascade to the wider organisation. Given there is uncertainty about the exact model, it is not clear how long it would take each employee to familiarise. However, we expect the time required will be relatively small and assume 30 minutes per employee.

88. We estimate wage costs using for the category “Chartered architectural technologists, planning officers and consultants” from the 2023 ASHE provisional dataset.⁴⁰ In 2023, the median hourly pay was £18.91. We uplift by 30% to capture non-wage labour costs and then convert to 2025 prices (£26.41 in 2025 prices). This results in a total familiarisation cost to LPAs of £12,300. Even if it took each employee 1 hour to familiarise with changes (double our central assumption), the total familiarisation cost would be less than £25,000.

Planning Inspectorate

89. We do not expect there to be any familiarisation costs to the planning inspectorate. The measures do not require any change in planning inspectorate behaviour. They will continue to handle appeals in the same way, even though the number of appeals they face may be reduced.

Costs and Benefits to Business

90. In Table 1.21 we bring together all monetised impacts into a summary table. We separate out the impacts to business from the impacts to the public sector. The vast majority of impact is to business (developers).

Table 1.21: Summary of Monetised Impacts (£2025 prices, 2026 PV)

| | EANDCB | NPBV | NPSV |
|--|---------------|---------------|---------------|
| Baseline Trajectory (OBR aligned) | -58.5 million | 503.3 million | 509.4 million |
| 1.5 million aligned Trajectory | -87.9 million | 756.7 million | 765.8 million |

Sensitivity Testing

91. Throughout the analysis we have set out how impacts may vary between the baseline(OBR aligned) trajectory and the 1.5m aligned trajectory. At this primary legislation stage, there is also uncertainty in what percentage of applications will be affected by the national scheme of delegation. This is because the exact model will not be determined until secondary legislation stage. We have conducted scenario analysis to demonstrate how this may affect the overall impacts. There is also uncertainty in appeal-related costs. In this section, we set out how we conduct sensitivity testing to reflect this uncertainty.

92. In the low scenario, we assume the national scheme of delegation reduces the number of applications going to committee by 15% for major and 0% for minor applications. We also assume the national scheme of delegation reduces the number of appeals relating to refusals by committee against the recommendation of officers by 5%. We also apply the low cost of capital per day from Table 1.7 and the low appeal-related costs from Table 1.17.

93. In the high scenario, we assume the national scheme of delegation reduces the number of applications going to committee by 35% for major and 10% for minor applications. We also assume the national scheme of delegation reduces the number of appeals relating to refusals by committee against the recommendation of officers by 40%. We also apply the high cost of capital per day from Table 1.7 and the high appeal-related costs from Table 1.17.

94. As set out in the calculations above, in the central scenario, we assume the national scheme of delegation reduces the number of applications going to committee by 25% for major and 5% for minor applications. We also assume the national scheme of delegation reduces the number of

⁴⁰ ASHE Table 14 [Available at: [Earnings and hours worked, occupation by four-digit SOC: ASHE Table 14 - Office for National Statistics](#)]

appeals relating to refusals by committee against the recommendation of officers by 20%. We apply the high cost of capital per day from Table 1.7 and the central appeal-related costs from Table 1.17.

95. In Table 1.21 above, we reported the estimated annual average reduction in appeals for the central scenario of both the baseline (OBR aligned) trajectory and the 1.5m aligned trajectory. In Table 1.22 below, we show how this varies in the low and high scenarios associated with these trajectories. For ease of presentation, Table 1.22 aggregates across the four types of planning applications we consider in this analysis (major residential, minor residential, major commercial and minor commercial). In terms of applications and appeals, the difference between these scenarios (within each trajectory) is driven solely by the difference in the percentage reduction appeals relating to refusals by committee against the recommendation.

Table 1.22: Estimated annual reduction in applications decided by committee and appeals, average across appraisal period

| | Applications decided by committee | Appeals |
|--|-----------------------------------|---------|
| Baseline Trajectory (OBR aligned) | | |
| Low | 544 | 22 |
| Central | 1,043 | 89 |
| High | 1,541 | 177 |
| 1.5 million aligned Trajectory | | |
| Low | 759 | 32 |
| Central | 1,457 | 130 |
| High | 2,156 | 259 |

96. We report the monetised impacts for the low, central and high scenario for both the trajectories in Table 1.23.

Table 1.23: Summary of Monetised Impacts across scenarios (million, £2025 prices, 2026 PV)

| | Scenario | EANDCB | EANDCH | NPSV | NPBV |
|--|----------|--------|--------|---------|---------|
| Baseline Trajectory (OBR aligned) | Low | -11.7 | 0 | 102.6 | 101.1 |
| Baseline Trajectory (OBR aligned) | Central | -58.5 | 0 | 509.4 | 503.3 |
| Baseline Trajectory (OBR aligned) | High | -155.7 | 0 | 1,352.3 | 1,340.1 |
| 1.5 million aligned Trajectory | Low | -17.6 | 0 | 153.7 | 151.4 |
| 1.5 million aligned Trajectory | Central | -87.9 | 0 | 765.8 | 756.7 |
| 1.5 million aligned Trajectory | High | -234.5 | 0 | 2,036.9 | 2,018.8 |

97. We have monetised impacts that we expect to be direct to business. However, there are also several impacts we discuss qualitatively in this section.

Non-monetised impacts

98. We have monetised impacts that we expect to be direct to business. However, there are also several impacts we discuss qualitatively in this section.

Indirect impact to business

99. The national scheme of delegation may result in further time savings to those monetised above. Applications that still go to appeal may also be processed faster as there are fewer appeals overall. However, these time savings are treated as an indirect impact, because they require a reduction in local planning authority determination times and so are not immediate. As a result, we have not monetised them.
100. Requiring LPAs to provide training to committee members may have an indirect benefit to developers. This measure may further reduce the number of applications that are inappropriately refused. In turn, this may result in further reductions in appeal-related costs and determination times. However, because these impacts are indirect and data is very limited, we have not attempted to monetise them. Committee members will need to factor the training into their decision making and this will not necessarily result in fewer appeals. Consequently, the cost and time savings do not immediately and unavoidably follow from requiring LPAs to provide training to planning committee members.

Impacts to LPAs

101. LPAs will face the cost of providing mandatory training to planning committees. However, the nature of this training is highly uncertain. As a result, we are unable to provide a meaningful estimate of the cost to LPAs, though this will be refined as analysis is updated for secondary legislation stage. There may be some administrative costs to LPAs as a result of reducing the size of some planning committees.
102. While these measures impose additional burdens on LPAs, these burdens will be offset by savings that result from the measures. As fewer decisions will be made by committees, there will be cost reductions to LPAs as a result of spending less time facilitating committees. In addition, the measures may result in fewer appeals, and therefore fewer appeal-related costs (as covered above in the monetised section).

Impacts to PINS

103. In addition to the monetised reduction in appeal-related costs to PINS captured above, we also expect there to be further benefits to PINS. The improvement in the quality of decision making (as a result of the mandatory training and control of the size of committees) could further reduce the total number of appeals. This will also reduce costs to PINS. An overall reduction in the number of appeals (from all three measures) may allow PINS to handle remaining appeals faster. However, we have not monetised these indirect impacts.

Housing Supply Impact of Reduction in Refused Applications

104. In our analysis (summarised in Table 1.14 above), we estimated the reduction in the annual average number of appeals relating to refused permission from the National Scheme of Delegation. In this section, we consider the housing supply impact associated with applications that would be refused in the counterfactual but granted in the policy option. This may not reflect the full housing supply impact. As set out below, the modernisation of planning committees may also incentivise developers to bring forward more development which will have a further positive impact on housing supply.

105. In the counterfactual, a significant proportion of the appeals would have been allowed (but subject to costly processes and delays). Lichfields analysis relating to applications containing 50 dwellings or more found that 60% of all appeals are allowed. The percentage of appeals allowed is even higher when they relate to a refusal against officer recommendation. 79% of appeals relating to a refusal against officer recommendation were allowed. That is, appeals relating to a planning committee refusal against officer recommendation are 32% more likely to be allowed than the average of all appeals.
106. Between 2021/22 and 2023/24, 43% of all major dwelling appeals were allowed and 21% of all minor dwelling appeals were allowed.⁴¹ These percentages differ from the findings in the Lichfields analysis, as the definition of a major application differs between Lichfields analysis and published planning statistics. This relates to all appeals, not just appeals following a planning committee refusal against a planning officer recommendation. Given the appeals in this analysis relate to a refusal against an officer recommendation, these appeals are even more likely to be allowed.
107. To reflect this, we apply the uplift (32%) from Lichfields analysis to the overall percentage of appeals allowed by major and minor development (from PINS data). After applying this uplift we estimate 57% ($43\% \times 1.32$) of major appeals and 28% ($21\% \times 1.32$) of minor appeals in the counterfactual that are now affected by the national scheme of delegation would still have been approved in the counterfactual.
108. After adjusting for this, we reach an estimate of how many applications would have been refused even after appeal in the counterfactual. We estimate the number of dwellings contained in refused applications by scaling the number of refused applications by the typical size of major and minor residential applications (estimated using data from Glenigan, as discussed above), summarised in Table 1.25.
109. We then adjust for additionality. The total number of dwellings in applications that were refused in the counterfactual but are granted in the policy option are still a large over estimate of the additional dwellings that may be delivered by the national scheme of delegations. For example, developers may re-submit refused applications. As set out in the MHCLG appraisal guide,⁴² additionality is determined by deadweight and displacement. Given developers may resubmit applications, we expect deadweight to be relatively high.⁴³ There may also be displacement from other sites in the local area. As a result we assume additionality is somewhere between 0% and 25%.
110. We report these values for both the baseline trajectory (aligned to the OBR's October 2024 Economic and Fiscal Outlook) and the trajectory aligned to delivering 1.5m homes this Parliament.

Table 1.24: Annual Housing Supply Impact

| | Number of appeals | Number of applications | Dwellings per application | Total dwellings in applications | Additional dwellings ⁴⁴ |
|--|-------------------|------------------------|---------------------------|---------------------------------|------------------------------------|
|--|-------------------|------------------------|---------------------------|---------------------------------|------------------------------------|

⁴¹ Table 2.5a - s78 planning appeals [Available at: [Planning Inspectorate Quarterly and Annual Volume Statistics - GOV.UK.](#)] (January 2025)

⁴² MHCLG Appraisal Guide [Available at: [DLUHC appraisal guide - GOV.UK](#)] (January 2025)

⁴³ The level of target outputs/outcomes that would have been produced if the intervention did not go ahead.

⁴⁴ We calculate additional dwellings by applying our range of additionality assumptions to the total dwellings in applications refused (after appeal).

| | | refused (after appeal) | | refused (after appeal) | |
|--|------------|------------------------|--------------|------------------------|-----------------|
| Baseline Trajectory (OBR aligned) | | | | | |
| Major | 44 | 19 | 54.4 to 97.8 | 1,041 to 1,869 | 0 to 467 |
| Minor | 36 | 26 | 1.5 to 2.7 | 39 to 71 | 0 to 18 |
| Total | 80 | 45 | NA | 1,080 to 1,940 | 0 to 485 |
| 1.5 million aligned Trajectory | | | | | |
| Major | 67 | 29 | 54.4 to 97.8 | 1,573 to 2,825 | 0 to 706 |
| Minor | 55 | 39 | 1.5 to 2.7 | 59 to 107 | 0 to 27 |
| Total | 121 | 68 | NA | 1,633 to 2,932 | 0 to 733 |

Wider impacts

111. The package of measures as a whole will result in fewer applications being incorrectly refused planning permission. As a result, the quality of decision making will be improved. This means planning decisions should result in outcomes that more closely reflect public interest.
112. These changes will increase confidence in decision making. The combination of reduced risk of rejection and reduced determination terms may result in more investment. This may result in additional housing. In turn, this may have localised impacts on house prices, housing availability, reductions in overcrowding and homelessness.

Impact on small and micro businesses

155. Developers are the primary category of business affected by the reforms to planning committees. As set out above, the measures are deregulatory and are expected to result in potential cost savings to all businesses (including small and micro businesses). Consequently, small and micro businesses are not excluded.
156. As set out in the summary IA, over 99% of developers are in the micro and small business category.⁴⁵ This is a higher concentration of small and micro businesses than in other industries. However, larger developers are responsible for the majority of housebuilding (90%)⁹². We do not hold data on how the number of planning applications vary by business size. Consequently, we cannot quantitatively assess how the impact of the reforms to planning committees is distributed by business size. Instead, we qualitatively consider these impacts.
157. We expect the measures will streamline the planning application process. Less time will be lost in delays as a result of faster decisions and fewer appeals. Decisions on larger and more complex applications are more likely to go to committees, and therefore be affected by these reforms. Larger and more complex projects are more likely to be developed by larger businesses. Small and micro businesses (SMB) may be subcontracted to work with a main developer on a large site. In this case, any impact on SMBs is likely to be indirect.
158. However, when smaller businesses are affected, they are disproportionately burdened by the cost of delays (more detail on the general way SMBs are affected by the planning system is included in the summary IA). In their State of Play 2023-24 report, the House Builders Federation highlight that smaller housebuilders have specifically called for a depoliticization of planning

⁴⁵ Home Builders Federation (2020) [Available at: https://www.hbf.co.uk/documents/10555/HBF_Report_-_State_of_Play_FINAL_V2.pdf] (January 2025)

policy and replacing planning committees with trained planning experts, as a way of streamlining the planning permission process.⁴⁶ At secondary legislation stage, when more detail is known about the preferred option, a more detailed SaMBA will be produced.

Cost and benefits to households calculations

159. We do not expect any direct impacts to fall on households. As outlined above, the measures result in reduced costs to developers and LPAs. Developers are likely to retain most of these cost savings. While some of the cost savings may be passed through to households in the form of lower prices, this pass through would be indirect.

Minimising administrative and compliance costs for preferred option

160. Whilst specifics of the implementation of these measures are to be determined through consultation, the main impacts will be on LPAs amending their procedures. We will support Local Authorities through providing guidance on how to implement, and we will consider the best timescales to align with the political cycle to ensure minimal disruption. We expect these measures to support businesses by giving them a clearer route to a decision.

Business environment

161. These changes aim to improve the way planning committees work, giving investors and applicants clear pathways to timely decisions particularly where applications are submitted in accordance with approved local plans. We expect this will give more confidence to investors that where proposals in accordance with plans are submitted that they will be dealt with by professional planning officers and won't be subject to a second round of political determination as this has already taken place through the local plans process, promoting investment due to greater certainty.

162. We want to encourage better quality development that is aligned with local development plans, facilitates the speedy delivery of the quality homes and places that our communities need, and gives applicants the reassurance that in more instances their application will be considered by professional officers and determined in a timely manner. This will allow committees and the elected representatives that sit on them to focus their resources on contentious development not aligned with the development plan where local democratic oversight is required. This approach will empower planning professionals to make sound planning decisions on those cases aligned with the development plan and give greater certainty to developers and communities as to how development will be scrutinised by their local planning authority. Tackling these issues means providing greater certainty to businesses and developers that good-quality schemes aligned with the development plan will be approved in a timely manner – while still ensuring that residents know non-compliant or speculative schemes that depart from the development plan will be subject to appropriate democratic scrutiny. In delivering on that objective, we want to encourage developers to submit good quality applications which are compliant with plan policies.

⁴⁶ State of Play (2023-24) Home Builders Federation [Available at: [HBF Report - SME report Nov 2023 22Jan.pdf](#)] (January 2025)

Trade implications

163. There are no direct international trade or investment impacts associated with these measures.

Environment: Natural capital impact and decarbonisation

165. There are no significant environmental or natural capital impacts related to these measures as the impact on housing supply is expected to be small. Matters relating to the environment will continue to be robustly considered in the planning process. Where the measures result in additional housing being delivered, there may be some embodied carbon impacts. There is some evidence on embodied carbon in UK construction. Drewniok et al. (2023) estimate the embodied carbon emissions for a range of development types.⁴⁷ However, we do not have an established approach for estimating the scale of embodied carbon emissions so we do not attempt to quantify this impact, which we expect to be highly uncertain (relating to new development).

Risks and assumptions

Table 1.25: Key Assumptions

| Area | Assumption |
|---|---|
| Baseline trajectory (OBR aligned) | <p>In our baseline analysis, we assume residential applications follow a trajectory consistent with the OBR forecast for net additional dwellings. From 2029 onwards (the end of the OBR's forecast) we assume annual net additions continue to grow at the rate between 2027 and 2029 (at about 10,000 per year)</p> <p>This trajectory does 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.</p> |
| 1.5m aligned trajectory | We also run a scenario where we assume residential applications follow a trajectory consistent with the delivery of 1.5 million homes this Parliament. From the end of the Parliament we assume annual net additions remain at the level required to achieve this (~374,000 per year), which is broadly consistent with the level of housing in the Local Housing Need. |
| Housing trajectory lag | We estimate there is one year lag between receiving planning permission and starting development, and 1.5 year for major and 1 year for minor between starting and completing development. As a result, we assume the trajectory in net additions lags behind the trajectory in planning applications by two and a half years for major (two years for minor). |
| Commercial trajectory | Based on recent trends, we assume the trajectory for commercial applications is flat. |
| Relationship between appeals and applications | We assume that the number of appeals relative to the total number of planning applications will remain constant. While there have been some small year-on-year variations in the relationship between applications (from P120A and P120B data) and appeals (from s78 data), the proportion has remained broadly constant over the last 5 years. |
| Residential and Commercial Appeals | We have more data for residential applications than commercial applications (the percentage of decisions made by committee and the % of appeals that relate to committee refusal against officer recommendation). Where commercial-specific data is lacking, we assume commercial applications are considered in the same way as residential application. |

⁴⁷ For mid-terrace housing and high-rise flats with more than 10 storeys, the weighted average of embodied carbon emissions across different material is 300 kgCO₂e/m². For bungalows, the weighted average is over 500 kgCO₂e/m². [Available at: [Mapping material use and embodied carbon in UK construction](#)] (January 2025)

| | |
|---|---|
| Impact of National Scheme of Delegation | At this stage, there is still uncertainty about the model for the national scheme of delegation. To estimate the scale of impact, we consider scenarios for the how the national scheme of delegation will reduce the number of committee decisions for major (Low: 15%, Central: 25%, High: 35%) and minor (Low: 0%, Central: 5%, High: 10%). We also consider scenarios for how the measure will reduce the number of relevant appeals (Low: 5%, Central: 20%, High: 40%). This means there is considerable uncertainty in the analysis. This is mitigated by the wide range around this assumption (which is reflected in the wide range between low and high NPSV). |
| Reduction in determination times | We assume, where applications no longer go through the committee stage, there are time savings for developers. We assume major applications save between 15 days and 45 days (central: 30 days) as a result of not going to committee. We assume minor applications save between 30 days and 90 days (central: 60 days). These assumptions are based on anecdotal evidence on the time taken to get on the agenda for a committee meeting. The time savings are expected to be lower for major applications which are more likely to be prioritised by committees and have a specific determination date set in advance. |
| Length of appeal | We apply the proportionate assumption that, in the counterfactual, the length of appeals remains constant at the average between October 2023 and September 2024. We do not have sufficient evidence to model whether appeal lengths may change in the counterfactual over the appraisal period. |
| Other applications | In the counterfactual, there are some “other” decisions that are made by committee. Under the National Scheme of Delegation, some of these decisions may also be moved from committees to officers. However, we have very limited information on these decision and how might they be impacted by the reforms, so we do not formally account for them in the analysis. From the internal investigation of committee decision making, there was a single “other” application. We expect the impact to be positive. |

Table 1.26: Key Risks

| Risk description | Impact | Mitigation of Risk |
|-------------------------|--|---|
| Unintended consequences | Detailed design of national scheme of delegation leads to more applications going to committee undermining the reforms | We will be consulting (and engaging further with stakeholders) on the details of the design of any scheme of delegation which should provide an opportunity to identify the risk of more applications going to committee. |

Monitoring and evaluation of preferred option

166. Through the planning data returns that we get from LPAs we will be able to track the types of applications that are determined at planning committee. We will request returns on applications that are refused by committee and subsequently overturned by planning officers. We will monitor this data to understand whether the policy interventions we have made here have had the intended effect of reducing the amount of committee decisions that are overturned.