



Impact Assessment of introducing the new Planning Policy Statement 12



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June 2008

Product Code: 08 COMM 05358/a

ISBN: 978-1-4098-0127-6

Summary: Intervention & Options

Department /Agency: Communities and Local Government	Title: Impact Assessment of introducing the new Planning Policy Statement 12	
Stage: Implementation	Version:	Date: 18 April 2008
Related Publications: New LDF Regulations [Town and Country Planning (Local Development) (England) (Amendment) Regulations 2008]		

Available to view or download at:

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What is the problem under consideration? Why is government intervention necessary?

Policy relating to the reformed planning system introduced in 2004 needs updating to reflect changes in local government policy and the difficulties which have attended delivery of Local Development Frameworks (LDFs). Policy is contained in a document called *Planning Policy Statement 12* or PPS12.

What are the policy objectives and the intended effects?

The aim is to have local authorities producing LDFs which are firmly embedded in their overall strategy making, which concentrate on the essentials and which are deliverable.

What policy options have been considered? Please justify any preferred option.

A) Do Nothing: Retain existing Planning Policy Statement 12

or

B) Introduce the new Planning Policy Statement 12. The specific policy changes from the previous PPS12 are outlined in the introduction of the Impact Assessment.

Option B is preferred as it will simplify the plan making system.

When will the policy be reviewed to establish the actual costs and benefits and the achievement of the desired effects? 3 years

Ministerial Sign-off For final proposal/implementation stage Impact Assessments:

I have read the Impact Assessment and I am satisfied that (a) it represents a fair and reasonable view of the expected costs, benefits and impact of the policy, and (b) the benefits justify the costs.

Signed by the responsible Minister:



Date: 19 May 2008

Summary: Analysis & Evidence

Policy Option: B	Description: Introduce New Planning Policy Statement 12
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COSTS	ANNUAL COSTS	Description and scale of key monetised costs by 'main affected groups'. None.
	One-off (Transition) Yrs	
	£ 	
	Average Annual Cost (excluding one-off)	
£ 	Total Cost (PV) £ 	
Other key non-monetised costs by 'main affected groups'. Changes to PPS12 may increase the costs of infrastructure planning. This should be offset by other savings.		

BENEFITS	ANNUAL BENEFITS	Description and scale of key monetised benefits by 'main affected groups' PPS12 reform – estimated savings to LPAs from not necessarily including separate site allocation plans £3.5 million.
	One-off Yrs	
	£ 10	
	Average Annual Benefit (excluding one-off)	
£0.7m 	Total Benefit (PV) £6.0m	
Other key non-monetised benefits by 'main affected groups'. Other unquantified savings to authorities including producing less Development Plan Documents (DPDs).		

Key Assumptions/Sensitivities/Risks
 The calculated savings are based on an assumption that a fifth of authorities will produce separate site allocation plans.

Price Base Year 2007	Time Period Years 10	Net Benefit Range (NPV) £	NET BENEFIT (NPV Best estimate) £6.0m			
What is the geographic coverage of the policy/option?		England				
On what date will the policy be implemented?		10 June 2009				
Which organisation(s) will enforce the policy?		GOs and LPAs				
What is the total annual cost of enforcement for these organisations?		£0				
Does enforcement comply with Hampton principles?		Yes/No				
Will implementation go beyond minimum EU requirements?		No				
What is the value of the proposed offsetting measure per year?		£0				
What is the value of changes in greenhouse gas emissions?		£0				
Will the proposal have a significant impact on competition?		No				
Annual cost (£-£) per organisation (excluding one-off)	Micro	Small	Medium	Large		
Are any of these organisations exempt?	N/A	N/A	N/A	N/A		
Impact on Admin Burdens Baseline (2005 Prices)			(Increase – Decrease)			
Increase of £0		Decrease of £0		Net Impact £0		
Key:	Annual costs and benefits: Constant Prices			(Net) Present Value		

Evidence Base (for summary sheets)

[Use this space (with a recommended maximum of 30 pages) to set out the evidence, analysis and detailed narrative from which you have generated your policy options or proposal. Ensure that the information is organised in such a way as to explain clearly the summary information on the preceding pages of this form.]

Background

The Planning white paper outlined the proposal to change the plan making system in order to place planning at the heart of local government. In addition changes are to be introduced to local development frameworks to ensure a more streamlined and tailored process with more flexibility about the number and type of plans, how they are produced, and a more meaningful level of community involvement.

Summary of policy changes

This impact assessment is on the introduction of the policy associated with the plan making system – Planning Policy Statement 12 (PPS12). There are five policy changes compared to the previous PPS12:

- I. Streamline PPS12 to be a pure policy document, with guidance to be published separately.
- II. Providing local authorities with greater flexibility to allocate sites in the Core Strategy;
- III. Providing local authorities with greater flexibility in determining which DPDs to produce; Reduction in complexity and number of DPDs;
- IV. Increasing the lifespan of the core Strategy from 10 to 15 years; and
- V. Strengthening the role of the Core Strategy in relation to infrastructure provision.

Other changes between the old and new PPS12 documents are not considered to be matters of policy.

Sectors and groups affected

- Public sector (particularly local authorities).
- Developers and infrastructure providers.
- Consultees.

Options

Option A: Do Nothing

This would keep in place the current PPS12.

Option B: Amend the Planning Policy Statement to clarify government's intentions with regard to plan making. In particular to:

- I. Streamline PPS12 to be a pure policy document, with guidance to be published separately;
- II. Provide local authorities with greater flexibility to allocate sites in the Core Strategy;
- III. Provide local authorities with greater flexibility regarding which DPDs they prepare and reduce the number and complexity of DPDs;
- IV. Increase the timespan of the Core Strategy to 15 years; and
- V. Strengthen the role of the Core Strategy in relation to infrastructure provision

Costs and benefits of Option A (the status quo)

The status quo is used here as a benchmark against which costs and benefits of the proposal can be measured.

Benefits

There should be no additional benefit from keeping the existing PPS12. Local planning authorities will not however need to take time to absorb the changes.

Costs

Under this option, the current policy would be maintained. Local planning authorities might continue to take too long to produce DPDs and the failure rate for DPDs might continue at 25 per cent.

Costs and benefits of Option B (the new PPS12)

Benefits

- I. Streamline PPS12 to be a pure policy document, with guidance to be published separately*

Removing the guidance from the policy contained in PPS12 shortens and simplifies the document. This will ensure greater clarity for LPAs which has the potential to speed up the process and improve the quality of plans.

II. Provide local authorities with greater flexibility to allocate sites in the Core Strategy

Site allocations in core strategies will mean that strategic site allocations can be made sooner than having to wait for a later DPD and will also assist in ensuring that the core strategy is underpinned with good evidence of delivery. Contacting a sample of councils in 2007 gave a minimum cost per site allocation plans of £97,000. Our knowledge of the LDF process leads us to believe that around fifth of LPAs will no longer have to produce site allocation plans. Assuming 363 LPAs the total saving can be calculated:

$$(363/5)*£97,000 = £7,022,800$$

Assuming these site allocation plans would have been produced every 10 years the annual saving can be calculated as follows:

$$£7,022,800/10 = £702,280$$

Rounded this gives an annual figure of £0.7 million.

III. Provide local authorities with greater flexibility regarding which DPDs they prepare and reduce the number and complexity of DPDs

Giving local authorities greater flexibility, in which DPDs to prepare, should reduce costs to local authorities. From communication with local authorities we know that it costs between £100,000 and £1m to produce a DPD. It is not possible to estimate a saving to local authorities from preparing fewer DPDs as it is not known how local authorities will respond to the increased flexibility.

IV. Increase the timespan of the Core Strategy to 15 years

Increasing the time span of core strategies to 15 years will ensure compatibility with government policy on planning for housing (PPS3) and also that better account is taken of the long term. This does not restrict core strategies from being produced more frequently when necessary but will ensure that they consider a 15 year timespan.

V. Strengthen the role of the Core Strategy in relation to infrastructure provision

Consideration of proper infrastructure delivery planning will also assist in ensuring the plan's deliverability and in ensuring that vital infrastructure is provided at the right place and at the right time.

Costs

We do not anticipate that there will be substantial costs incurred as a result of the alterations proposed. Providing local authorities with greater flexibility to allocate sites in the Core Strategy and in determining which DPDs to produce is not anticipated to result in any cost.

Strengthening the role of the Core Strategy in relation to infrastructure provision may result in a financial cost to the plan making authority from having to put resources into effective discussions with infrastructure providers. This should be offset however by savings from producing fewer DPDs due to increased flexibility and other policies which reduce the resources local authorities will have to expend on formal public consultations.

Some might argue that the greater flexibility in allocating sites and the greater flexibility in which DPDs are produced may result in a reduction in the overall number of plans produced and subsequent lessening of public involvement. However where a DPD such as the core strategy takes on a role such as allocating sites, it will be necessary under the Regulations for the authority to undertake appropriate consultation regarding those sites as if it were a Site Allocation DPD.

Specific Impact Tests

Competition assessment

There is not considered to be an impact on competition of these proposals.

Small Firms' Impact Test

There is no evidence to date that there will be an impact on small firms.

Legal Aid Impact test

There will be no legal aid impact from this proposal.

Sustainable Development, Carbon Assessment, other Environment

These proposals will not have negative economic, environmental or social impacts and will not have a negative impact on future generations.

These proposals will not result in increased carbon and other green house gas emissions, or have a negative impact on the Environment.

Health Impact Assessment

There are no detrimental health impacts arising from these proposals.

Race, Disability and Gender Equality

We believe there will be no effect on race, disability or gender equality. It should also be noted that we propose to produce a detailed planning manual which will cover local authorities' responsibilities regarding equality. Opportunities to contribute and involve will be reduced, though the quality will hopefully be improved.

Human Rights

These proposals will not have a negative impact on human rights. The proposals are in accordance with the Human Rights Legislation.

Rural Proofing

We believe this measure will not have a negative impact on rural areas.

Specific Impact Tests: Checklist

Use the table below to demonstrate how broadly you have considered the potential impacts of your policy options.

Ensure that the results of any tests that impact on the cost-benefit analysis are contained within the main evidence base; other results may be annexed.

Type of testing undertaken	Results in Evidence Base?	Results annexed?
Competition Assessment	Yes	No
Small Firms Impact Test	Yes	No
Legal Aid	Yes	No
Sustainable Development	Yes	No
Carbon Assessment	Yes	No
Other Environment	Yes	No
Health Impact Assessment	Yes	No
Race Equality	Yes	No
Disability Equality	Yes	No
Gender Equality	Yes	No
Human Rights	Yes	No
Rural Proofing	Yes	No

ISBN: 978-1-4098-0127-6

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