



Localism Bill: local plan reform  
**Impact assessment**



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January 2011

ISBN: 978 1 4098 2753 5

## Localism Bill: local plan reform

This document provides a robust analysis of the potential impacts of one element of a package of policies that will have an impact on housing supply.

This document should be read in conjunction with impact assessments for related measures that form part of the Government's housing supply strategy. It should be recognised that some measures, considered in isolation, may not increase supply. However, they contribute to a new approach, which will deliver more of the homes that people want, where they want them. This new approach aims to rebalance power from central government to local authorities and local people, combined with new freedoms and financial incentives.

The Government's housing strategy and an overarching assessment of the impact of the Government's policies on housing supply can be found in the forthcoming DCLG paper: *A new approach to housing supply*.

<b>Title:</b> Localism Bill: local plan reform <b>Lead department or agency:</b> Department for Communities and Local Government <b>Other departments or agencies:</b>	<b>Impact Assessment (IA)</b>
	<b>IA No:</b> DCLG 0058
	<b>Date:</b> January 2011
	<b>Stage:</b> Final
	<b>Source of intervention:</b> Domestic
	<b>Type of measure:</b> Primary legislation
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## Summary: Intervention and Options

<b>What is the problem under consideration? Why is government intervention necessary?</b> The planning system has been too top-down, marginalising local communities from decisions and causing delays to local authority plans and planning applications. Current legislation places unnecessary bureaucracy upon local authorities when they prepare their local plans - known as Development Plan Documents. The process of examinations has also led, in some cases, to Development Plan Documents being partially re-written by independent inspectors not connected to the local area undermining democratic responsibility for the plan and local ownership of it. Changes to primary legislation are necessary to address these issues. Doing so will reduce regulatory burdens on local authorities and allow local people to better influence and shape development in their area, leading to a more effective planning system.	
<b>What are the policy objectives and the intended effects?</b> Reduce unnecessary regulation and bureaucracy on local authorities to seek the agreement of the Secretary of State and the Mayor of London (in the case of London Boroughs) during the Development Plan Document preparation process. To return control over planning decisions to local communities by allowing local authorities the choice to adopt plans which are the right reflection of local aspirations for development in their area, in line with national policy.	
<b>What policy options have been considered? Please justify preferred option (further details in Evidence Base)</b> Option 0: Do nothing  Option 1: Amend legislation on procedural requirements for Local Development Schemes, Annual Monitoring Reports and the examination, adoption and withdrawal of Development Plan Documents. Issue revised guidance.  Policy Option 1 is the preferred option as it best meets the policy objectives and intended effects.	
<b>When will the policy be reviewed to establish its impact and the extent to which the policy objectives have been achieved?</b>	It will be reviewed 11/2012
<b>Are there arrangements in place that will allow a systematic collection of monitoring information for future policy review?</b>	Yes

**SELECT SIGNATORY Sign-off** For final proposal 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: Greg Clark..... Date: January 2011 .....

# Summary: Analysis and Evidence

Policy Option 1

**Description: Amend legislation on procedural requirements for Local Development Schemes, Annual Monitoring Reports and the examination, adoption and withdrawal of Development Plan Documents. Issue revised guidance.**

Price Base Year 2010	PV Base Year 2010	Time Period Years 10	Net Benefit (Present Value (PV)) (£m)		
			Low: 1.8	High: 6.8	Best Estimate: 5.8

COSTS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	0		0
High	0		0
Best Estimate	0		0

**Description and scale of key monetised costs by 'main affected groups'**

No monetised costs expected for any group

**Other key non-monetised costs by 'main affected groups'**

No non-monetised costs expected for any group

BENEFITS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	0	£0.2	£1.8
High	0	£0.8	£6.8
Best Estimate	0	£0.7	£5.8

**Description and scale of key monetised benefits by 'main affected groups'**

Local authorities should benefit from lower costs of reduced examination periods following from less stringent requirements to be met in order to adopt a Development Plan Document. Small saving for local authorities from reduced numbers of Development Plan Documents withdrawn.

**Other key non-monetised benefits by 'main affected groups'**

Local communities will have more scope to influence local policy and consequently become more engaged with the planning system, leading to better quality development, quicker approvals and less opposition to development. Local authorities have greater discretion in adopting Development Plan Documents and supporting documents in the format of their choice. Greater certainty for the development industry as plans are informed by clearer guidance and less bureaucracy.

**Key assumptions/sensitivities/risks**

Discount rate (%)

3.5

At Baseline date: 218 working days per examination, £804 cost per day of examination, 35 examinations, 4 additional examinations when Development Plan Documents withdrawn.  
 Low Estimate = 1 working day reduction in average examination length and one fewer withdrawal per year  
 Best Estimate = 5 working days reduction in average examination length and 3 fewer withdrawals per year.  
 High Estimate = 10 working days reduction in average examination length and 3 fewer withdrawals per year.  
 Number of examinations per year and cost per day of examination are not variable.  
 Risk: possible lack of data available to public and development industry if in absence of checks  
 Local Development Schemes and Annual Monitoring Reports are not completed.

Impact on admin burden (AB) (£m):		Impact on policy cost savings (£m):		In scope
New AB:	AB savings:	Net:	Policy cost savings:	Yes/No

## Enforcement, Implementation and Wider Impacts

What is the geographic coverage of the policy/option?		England			
From what date will the policy be implemented?		2011			
Which organisation(s) will enforce the policy?		N/A			
What is the annual change in enforcement cost (£m)?		0			
Does enforcement comply with Hampton principles?		Yes			
Does implementation go beyond minimum EU requirements?		N/A			
What is the CO <sub>2</sub> equivalent change in greenhouse gas emissions? (Million tonnes CO <sub>2</sub> equivalent)		<b>Traded:</b> 0	<b>Non-traded:</b> 0		
Does the proposal have an impact on competition?		No			
What proportion (%) of Total PV costs/benefits is directly attributable to primary legislation, if applicable?		<b>Costs:</b> 0	<b>Benefits:</b> 0		
Annual cost (£m) per organisation (excl. Transition) (Constant Price)	<b>Micro</b>	<b>&lt; 20</b>	<b>Small</b>	<b>Medium</b>	<b>Large</b>
Are any of these organisations exempt?	Yes	Yes	Yes	Yes	Yes

## Specific Impact Tests: Checklist

Set out in the table below where information on any SITs undertaken as part of the analysis of the policy options can be found in the evidence base. For guidance on how to complete each test, double-click on the link for the guidance provided by the relevant department.

Please note this checklist is not intended to list each and every statutory consideration that departments should take into account when deciding which policy option to follow. It is the responsibility of departments to make sure that their duties are complied with.

Does your policy option/proposal have an impact on...?	Impact	Page ref within IA
<b>Statutory equality duties</b> <sup>1</sup> <a href="#">Statutory Equality Duties Impact Test guidance</a>	No	11
<b>Economic impacts</b>		
Competition <a href="#">Competition Assessment Impact Test guidance</a>	No	11
Small firms <a href="#">Small Firms Impact Test guidance</a>	No	11
<b>Environmental impacts</b>		
Greenhouse gas assessment	No	11
Wider environmental issues	No	11
<b>Social impacts</b>		
Health and well-being <a href="#">Health and Well-being Impact Test guidance</a>	No	11
Human rights <a href="#">Human Rights Impact Test guidance</a>	No	11
Justice system <a href="#">Justice Impact Test guidance</a>	No	11
Rural proofing <a href="#">Rural Proofing Impact Test guidance</a>	No	11
<b>Sustainable development</b> <a href="#">Sustainable Development Impact Test guidance</a>	No	11

<sup>1</sup> Public bodies including Whitehall departments are required to consider the impact of their policies and measures on race, disability and gender. It is intended to extend this consideration requirement under the Equality Act 2010 to cover age, sexual orientation, religion or belief and gender reassignment from April 2011 (to Great Britain only). The Toolkit provides advice on statutory equality duties for public authorities with a remit in Northern Ireland.

## Evidence Base (for summary sheets) – Notes

Use this space to set out the relevant references, evidence, analysis and detailed narrative from which you have generated your policy options or proposal. Please fill in **References** section.

### References

Include the links to relevant legislation and publications, such as public impact assessment of earlier stages (e.g. Consultation, Final, Enactment).

No.	Legislation or publication
1	Planning & Compulsory Purchase Act 2004 <a href="http://www.legislation.gov.uk/ukpga/2004/5/pdfs/ukpga_20040005_en.pdf">http://www.legislation.gov.uk/ukpga/2004/5/pdfs/ukpga_20040005_en.pdf</a>
2	Town and Country Planning (Local Development)(England) Regulations 2004 – (SI2204) <a href="http://www.legislation.gov.uk/uksi/2004/2204/contents/made">http://www.legislation.gov.uk/uksi/2004/2204/contents/made</a>
3	Planning Policy Statement 12: <i>Local Spatial Planning</i> <a href="http://www.communities.gov.uk/documents/planningandbuilding/pdf/pps12lsp.pdf">http://www.communities.gov.uk/documents/planningandbuilding/pdf/pps12lsp.pdf</a>
4	DCLG Plan Making Manual <a href="http://www.pas.gov.uk/pas/core/page.do?pagelId=109798">http://www.pas.gov.uk/pas/core/page.do?pagelId=109798</a>

+ Add another row

### Evidence Base

Ensure that the information in this section provides clear evidence of the information provided in the summary pages of this form (recommended maximum of 30 pages). Complete the **Annual profile of monetised costs and benefits** (transition and recurring) below over the life of the preferred policy (use the spreadsheet attached if the period is longer than 10 years).

The spreadsheet also contains an emission changes table that you will need to fill in if your measure has an impact on greenhouse gas emissions.

#### Annual profile of monetised costs and benefits\* - (£m) constant prices

	Y <sub>0</sub>	Y <sub>1</sub>	Y <sub>2</sub>	Y <sub>3</sub>	Y <sub>4</sub>	Y <sub>5</sub>	Y <sub>6</sub>	Y <sub>7</sub>	Y <sub>8</sub>	Y <sub>9</sub>
<b>Transition costs</b>	0	0	0	0	0	0	0	0	0	0
<b>Annual recurring cost</b>	0	0	0	0	0	0	0	0	0	0
<b>Total annual costs</b>	0	0	0	0	0	0	0	0	0	0
<b>Transition benefits</b>	0	0	0	0	0	0	0	0	0	0
<b>Annual recurring benefits</b>	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
<b>Total annual benefits</b>	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7

\* For non-monetised benefits please see summary pages and main evidence base section



## **Evidence Base (for summary sheets)**

### **Background**

The Planning & Compulsory Purchase Act 2004 introduced a new plan making system in England. Six years later less than 20% of authorities have adopted new plans – known as development plan documents. These plans should set out a vision and objectives for how places will develop, a delivery strategy to achieve the vision, locations of development and policies and proposals on housing, public facilities, commercial development and physical, social and green infrastructure. These plans are important as they are used to determine planning applications. It has taken longer than hoped for the legislation changes to bed in and feedback from local authorities has indicated that parts of the process and some of the technical requirements have hindered plan preparation. The process of examinations has also led, in some cases, to local plans being partially re-written by independent inspectors not connected to the local area undermining democratic responsibility for the plan and local ownership of it.

### **UNDER THE CURRENT LEGISLATION**

Before a local planning authority can adopt a Development Plan Document, it must submit it to the Secretary of State. The Development Plan Document is then subject to an independent examination by an inspector appointed by the Secretary of State to ensure that it is “Sound”. If the Development Plan Document is not sound, the Inspector will produce a report which specifies the changes that will be required to make it sound. The local authority must make the changes to the document specified by the inspector in the report before adopting the Development Plan Document.

*(Planning & Compulsory Purchase Act 2004 s.23(2)-(4))*

All local planning authorities are required to submit a Local Development Scheme to the Secretary of State. The Local Development Scheme sets out which Development Plan Documents are adopted and which are to be prepared by the local authority, and a timetable for their preparation and matters that will be covered.

*(Planning & Compulsory Purchase Act 2004 s.15(3)(b), Town & Country Planning (Local Development)(England) Regulations 2004 (SI2204) Reg.10 – 11)*

All local planning authorities are required to prepare an Annual Monitoring Report for each financial year. Annual Monitoring Reports report on the progress of Development Plan Documents preparation and on the effectiveness of adopted policies. The local authority is required to send a copy of the Annual Monitoring Report to the Secretary of State by the 31<sup>st</sup> December each year.

*(Planning & Compulsory Purchase Act 2004 s.35(1), Town & Country Planning (Local Development)(England) Regulations 2004 (SI2204) Reg. 48)*

The agreement of the Secretary of State is required before a local planning authority can withdraw a Development Plan Document - once it has been submitted for formal examination.

*(Planning & Compulsory Purchase Act 2004 s.22(2), Town & Country Planning (Local Development)(England) Regulations 2004 (SI2204) Reg.37)*

### **Problem under consideration**

Development Plan Documents are not as true a reflection of local aspirations for development in their area as they could be, taking account of national planning policy objectives. In formulating policies, local authorities and local communities should be free from unnecessary central government regulation.

Local authorities should continue to submit Development Plan Documents for independent public scrutiny to make sure that plans are consistent with national policy and there is a clear transparent opportunity for local communities and landowners to debate relevant planning matters in a public forum. However, current legislation allows too much scope for planning inspectors to re-write plans which have been prepared in collaboration with local people. Local authorities do not have a choice on how to amend their plan – changes are imposed, rather than being transparent and community led.

The case for local decision making and benefits of higher rates of community involvement leading to acceptance of new development is suggested by survey evidence<sup>2</sup> in the forthcoming DCLG publication *A new approach to housing supply*.

Legislation also places additional administrative burdens on local authorities through the requirements to submit Local Development Schemes for approval, send in Annual Monitoring Reports and requiring the agreement of the Secretary of State to stop work on (withdraw) a Development Plan Document once submitted for public examination.

### **Rationale for Intervention**

Research has shown that a system of top down planning targets marginalises local people with, according to Ipsos MORI, only 15% of people considering themselves to be involved in decision making at a local level<sup>3</sup>. Removing central controls and restoring local authority power over planning should reduce administration costs and make local planning much more accountable to local people. The removal of regional house-building targets which the Government intends to achieve through the Localism Bill should in itself increase the acceptability of development at the local level; however this effect will be more significant when combined with the new freedoms and powers granted at the local level.

Because local authority plans have been partially re-written by inspectors not connected to the local area, communities have little ownership of decisions that effect them. This stimulates opposition to development, and significant costs to developers. There is a need to make the planning system less bureaucratic, more collaborative and more open so that communities can get involved and build consensus and embrace the benefits of development. Therefore it is important to ensure that local authorities are free to prepare Development Plan Documents without unnecessary central government intervention.

### **Policy objectives**

- Reduce unnecessary regulation and bureaucracy on local authorities to seek the agreement of the Secretary of State and the Mayor of London (in the case of London boroughs) during the Development Plan Document preparation process.
- To return control over planning decisions to local communities by allowing local authorities the choice to adopt plans which are the right reflection of local aspirations for development in their area, in line with national policy.

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<sup>2</sup> YouGov (<http://www.communities.gov.uk/documents/507390/nhpau/pdf/16127041.pdf>)

<sup>3</sup> Ipsos MORI (2010). *Do the public really want to join the government of Britain?*

<http://www.ipsos-mori.com/Assets/Docs/News/Do%20the%20public%20want%20to%20join%20government%20of%20Britain.PDF>

## Description of options considered

### Policy Option 0: Do nothing

**Policy Option 1: Amend legislation** relating to Local Development Schemes, Annual Monitoring Reports and the examination, adoption and withdrawal of Development Plan Documents. Issue revised guidance.

- (i) Revise guidance to local authorities and planning inspectors to clarify that the preparation and assessment of plans should concentrate on being in line with national policy, cross-boundary impacts and proportionate evidence.
- (ii) Amend legislation so that the requirement for local authorities to submit Local Development Schemes to the Mayor of London (in the case of London Boroughs) and Secretary of State, and send Annual Monitoring Reports to the Secretary of State is removed.
- (iii) Amend legislation to remove the requirement that the Secretary of State agrees to the withdrawal of a Development Plan Document once it has been submitted for examination.
- (iv) Amend legislation so it would be a matter for local authorities to decide how to change their plan, by accepting recommendations made by an inspector (if requested by the authority during the examination), revising their plan in another way to the satisfaction of the inspector, and making non-material changes.

### Costs and benefits of each option

**Policy Option 0** has no benefits, as the status quo continues.

**Policy Option 1** revises the scope of the guidance which informs an inspector's assessment of a Development Plan Document to stop an inspector from imposing changes. This will lead to better engagement at public examinations, and more concise and user friendly reports written for the benefit of communities and local authorities. Independent scrutiny of plans in public builds consensus and community buy-in. The role of the inspector should change to make sure that impacts of Development Plan Documents are properly tested, on behalf of the Secretary of State, and national policy is not breached. Development Plan Documents which do not meet these tests should not be adopted.

In addition, legislative amendments to the examination and adoption process will give local authorities greater discretion to present and discuss changes at the public examination. Local authorities will have new powers to ask the inspector to suggest modifications to the plan, rather than having changes imposed on them. They will have a choice to accept all recommendations (where they have requested them from the inspector) or rewrite parts of the plan to address any reasons why the Development Plan Document is 'unsound' and bring it into line with national policy. They will also be able to make small changes without the need for another examination. Overall, local authorities will be able to decide how to change their plan, or ask inspectors for advice. This gives flexibility, choice and responsibility back to local people.

If it is assumed that the average examination time of 218 days could be reduced by between 1 and 10 days and there is between 1 and 3 Development Plan Documents withdrawn each year, the expected range of financial benefit to local authorities is between the range of £1.8m to £6.8m over a ten year period. These savings accrue to the local authority.

The three legislative requirements relating to Local Development Schemes, Annual Monitoring Reports and the withdrawal of Development Plan Documents are considered to be unnecessary bureaucracy. The impact has not been monetised (see Wider Impacts). More significant is the

clear signal that these changes emphasise that plans should be owned and developed by local communities. Changes to the monitoring requirements reflect the view that it is local communities, not central government, who should be holding authorities to account for their actions.

## **Risks and assumptions**

Delay to plans being adopted:

- In the period between the Localism Bill being introduced to Parliament and coming into force, there is a low risk that local authorities may delay progressing their Development Plan Documents to examination, so that they receive the benefit of choices on how to deal with the inspector's report. The revised guidance issued under option 1 will address this, by limiting the issues an inspector should report on and giving local authorities confidence to continue submitting plans.
- Local authorities may prevaricate on making decisions on whether to accept recommendations or engage in further rounds of consultation on proposed changes following the inspector's report which could increase the total preparation time for a Development Plan Document. New regulations issued under option 1 and revised guidance will address this by offering a clear procedural choice to local authorities.

A local authority will not be able to adopt an 'unsound' Development Plan Document without having regard for inspector's recommendations otherwise they risk challenge. However, ultimately it is a matter for each local authority to decide whether they want to take on the risk of adopting a plan that is not sound and the risk of challenge, and be responsible to their community for this decision.

There is a low risk that local authorities will not keep Local Development Schemes up to date or monitor plans regularly. There would be an impact in terms of a loss of transparency and accountability to the local community. However we have assumed that this is a matter for the local community to hold the local authority to account in this circumstance and not one for central government to intervene. Local authorities should report to local people on progress rather than upwards to central government.

Requests to the Secretary of State for approval of the withdrawal of submitted plans is already low as local authorities wish to get plans in place to direct the right development for their area. We have assumed that withdrawals will not increase if the provision for central government intervention is relaxed.

## **Administrative burden and policy savings calculations**

Possible savings in plan preparation time are too uncertain to monetise and will vary depending on the nature of each area and complexity of the Development Plan Document. Large savings are likely to be limited because each procedural stage in the process to prepare a Development Plan Document remains the same as before, to ensure democratic accountability and present the opportunity for local communities and investors to influence the preparation and content of Development Plan Documents.

However local authorities may benefit from lower costs of reduced examination periods resulting from less stringent requirements to be met in order to adopt a Development Plan Document.

## Variable Costs in Examination

Inspector's rates and travel & subsistence per examination - estimated average cost (Source: Planning Inspectorate)	£55,000
Assumed Programme Officer costs - estimated average rate per examination	£20,000
Assumed Local Planning Authority staff costs (1 Team leader, 1 Senior Planning Officer, 1 Planning Assistant assumed working full time on exam during examination period). Estimated combined average annual salary = £120,000. Adjusted for average length of an examination = £100,230	£100,230
<b>Total of estimated costs variable due to length of examination</b>	<b>£175,230</b>

Costs which would not vary due to the length of examination such as costs of notification and publishing are not taken into account.

Average length of examination = **218** working days

(Source: DCLG Development Plans Database, calculated by subtracting dates of submission from dates of issue of inspectors' reports for examinations completed, calculating number of working days in period, and dividing by number of examinations.)

Estimated average cost per working day of examination (Total of estimated costs/Average length of examination) = **£804**

The number of Development Plan Document examinations that have occurred since 2005 is set out in the table below.

Year	Number of Submissions	Number of Examinations
2005	7	9
2006	72	59
2007	46	40
2008	38	34
2009	51	36

Source: DCLG Development Plans Database

In September 2008, new regulations were introduced to streamline the Development Plan Document preparation process. Therefore the calculation of potential future costs and benefits is based on an average of 2008-09 figures rather than an average of preceding years. A **base figure of 35 Examinations per year and 4 withdrawals per year** is forecast for the next ten year period.

There is limited evidence to enable a precise quantification of likely reduction in examination times. However possible monetary savings can be identified. In some situations there may be fewer savings and so a range has been assumed.

## Policy Option 0: Do nothing.

### Assumptions at Baseline date for Option 0

No of days per examination	218 working days
Cost per day of examination	£804 per day
Number of examinations	35
Number of additional examinations when Development Plan Documents withdrawn	4
<b>No change.</b> None of the baseline assumptions will change over the ten period.	

## Policy Option 1: Amend legislation relating to Local Development Schemes, Annual Monitoring Reports and the examination, adoption and withdrawal of Development Plan Documents. Issue revised guidance.

### Assumptions at Baseline date for Option 1

No of days per examination	208-218 working days
Cost per day of examination	£804 per day
Number of examinations	35
Number of additional examinations when development plan documents withdrawn	1- 3 (best estimate: 1)
There is an <b>estimated saving of up to 10 working days</b> in the average number of days per examination and there will be up to 3 fewer additional examinations when Development Plan Documents are withdrawn per year over the ten year period. Costs per day of examination and number of examinations will not change.	

## Wider Impacts

As part of a wider package of reforms to the planning system, documented in the forthcoming DCLG publication *A new approach to housing supply*, these procedural changes may make a small contribution to achieving a quicker planning process and delivering additional development.

The requirement that local authorities should submit Local Development Schemes and that these should be agreed by the Secretary of State and the Mayor of London (in the case of London Boroughs) compromises the principle that local authorities and local communities are best placed to decide on the plans that need to be prepared and when to prepare them in order to meet their own aspirations for development.

One function of Annual Monitoring Reports is for local authorities to monitor the effectiveness of their policies and report this to the local community and investors. They also report on progress made in the preparation of Development Plan Documents. They are therefore a means of ensuring transparency and for the local community to hold the local authority to account.

However they have been seen as a central imposition as they must be sent to the Secretary of State. They foster the target culture which hampers local authorities and communities in getting plans in place on the ground that reflect their needs. Instead local authorities should monitor and report to their communities when they need to.

The legal provision requiring the consent of the Secretary of State before a local authority can withdraw (stop work on) a Development Plan Document compromises the principle that local authorities are best placed to decide on the plans that need to be prepared. It is a matter for a local authority to decide, having regard to its own circumstances, whether it is the best course of action to proceed with a Development Plan Document examination or whether the plan should be withdrawn.

These three legislative requirements are unnecessary. No direct financial costs or benefits are expected for local authorities or other sectors from removing these requirements. But their removal may lead to greater empowerment of communities and greater engagement with the planning system.

Overall, there are no additional financial or regulatory burdens placed upon local authorities or any other group which should be monetised. The options will not have adverse economic, social or environmental impacts since the examination in public at which the inspector assesses the Development Plan Document remains in place as an independent public forum which is open to all, to scrutinise an emerging plan.

An equalities impact assessment initial screening has been completed. There is no adverse equalities impact.

Competition and small firms will not be adversely impacted.

Environmental issues including climate change adaptation and mitigation continue to be considerations on which local authorities will need to plan. There is no change.

Social issues including health, human rights, justice and rural proofing will not be affected by the proposals. There is no adverse impact.

Contributing to the delivery of sustainable development remains a duty placed on local authorities by planning legislation. The proposals make no change/impact.

## **Summary and preferred option with description of implementation plan**

Policy Option 0 has no benefits, as the status quo continues.

Option 1 offers benefits of improving transparency to local communities and reducing unnecessary central government requirements on how authorities and communities must prepare and keep track of progress on their development plans.

**Policy option 1 is therefore the preferred option** as it best meets the policy objectives and intended effects, and has the potential consequential benefit of monetised savings over time if there is a reduction of time taken to examine plans. These savings will accrue to local authorities.

The implementation plan will consist of:

- Consult on and issue guidance following publication of the Localism Bill in 2010;
- Public consultation on regulations during 2011;
- Issue regulations on commencement of the Act; and
- Engage through a communications plan with the sector.

## Annexes

Annex 1 should be used to set out the Post Implementation Review Plan as detailed below. Further annexes may be added where the Specific Impact Tests yield information relevant to an overall understanding of policy options.

### Annex 1: Post Implementation Review (PIR) Plan

A PIR should be undertaken, usually three to five years after implementation of the policy, but exceptionally a longer period may be more appropriate. A PIR should examine the extent to which the implemented regulations have achieved their objectives, assess their costs and benefits and identify whether they are having any unintended consequences. Please set out the PIR Plan as detailed below. If there is no plan to do a PIR please provide reasons below.

<p><b>Basis of the review:</b> [The basis of the review could be statutory (forming part of the legislation), it could be to review existing policy or there could be a political commitment to review]; Non statutory commitment to review.</p>
<p><b>Review objective:</b> [Is it intended as a proportionate check that regulation is operating as expected to tackle the problem of concern?; or as a wider exploration of the policy approach taken?; or as a link from policy objective to outcome?] Proportionate check that regulation is operating as expected to tackle problem of concern.</p>
<p><b>Review approach and rationale:</b> [e.g. describe here the review approach (in-depth evaluation, scope review of monitoring data, scan of stakeholder views, etc.) and the rationale that made choosing such an approach] Scope review of monitoring data on examination length and numbers of Development Plan Documents withdrawn annually. Main policy objective is to return decision making powers to local authorities and reduce regulatory burdens upon them. A qualitative review to be undertaken by interview to establish how changes have worked with a proportionate cohort of local authorities.  Over the coming months, further details of any proposed research and analysis will be considered by a Localism Bill review steering group, to ensure that the methods are appropriate, proportionate, and cross-cutting where possible, so that we collect only essential information/data at both the baseline and follow-up review stages.</p>
<p><b>Baseline:</b> [The current (baseline) position against which the change introduced by the legislation can be measured] Average length of examination = 218 working days, Annual rate of Development Plan Documents withdrawn in examination = 4 per year</p>
<p><b>Success criteria:</b> [Criteria showing achievement of the policy objectives as set out in the final impact assessment; criteria for modifying or replacing the policy if it does not achieve its objectives] Average length of examinations are reduced. Annual withdrawals of Development Plan Documents during examination are reduced.</p>
<p><b>Monitoring information arrangements:</b> [Provide further details of the planned/existing arrangements in place that will allow a systematic collection systematic collection of monitoring information for future policy review] Data will be available from Planning Inspectorate on the submission, examination and adoption of Development Plan Documents.</p>
<p><b>Reasons for not planning a PIR:</b> [If there is no plan to do a PIR please provide reasons here] All policy options are either financially cost/benefit neutral or this is not the primary objective.</p>