

Planning and Infrastructure Bill – Impact assessment

To: England contacts

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1 Overview

On the 6 May 2025, the UK government published a document that provides an assessment of the impact that the measures set out in the [Planning and Infrastructure Bill](#) will have on business and wider society.

The briefing provides a summary of the impact assessment. The full document can be accessed [here](#).

2 Introduction

The government state that the measures set out in the Planning and Infrastructure Bill will:-

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

The government advise that the analysis set out in the document and accompanying annexes indicates that the Bill will achieve the aims and be a boost to businesses and households in the UK.

It is commented that many of the measures in the Bill have been informed by extensive stakeholder engagement via responses to the government's series of working papers on planning reforms, various consultations and calls for evidence.

The reforms set out in the Bill come alongside wider action that is aimed to get Britain building

again, including: -

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

3 Regulatory scorecard for the preferred option

The document details a scorecard for the preferred option which is categorised in three parts, the overall and stakeholder impacts, impacts on wider government priorities and the analysis and evidence.

For section 2.1 Part A the score card focuses on the overall and stakeholder impacts including the overall impact on total welfare, the expected impacts on businesses, and the expected impact on households.

The monetised impacts on total welfare are calculated as a Net Present Social Value (NPSV) in 2025 prices with 2026 base year across the 10-year appraisal period 2026-35.

The government estimate a central impact of £3.2 billion. It is reported that for many measures in the Bill, additional detail related to their implementation will be finalised during or following this primary legislation stage. This is reflected in a very large range in NPSV (Low: £1.3 billion & High: £7.5 billion). The largest monetised impacts (NPSV), aggregated across several measures, are reported below for the central scenario.

Direct benefits:

Reduction in costs associated with delays (to business): £2.1 billion

Various forms of planning cost savings (to business): £157 million

Appeal/dispute cost savings (to business): £46 million

Indirect benefits:

Constraint cost savings (to business and households): £1.5 billion

Emissions savings (to society): £147 million

Direct costs:

Costs of producing strategic plans (to public sector): £101 million

Indirect costs:

Earlier network investment (to business): £777 million

This aspect of the scorecard is given a directional rating as positive.

For the monetised impacts on businesses the government identify a Net Present Business Value (NPBV) of £2.1 billion (in 2025 prices with 2026 base year). They estimate that Equivalent Annual Net Direct Cost to Business is -£273 million (a negative cost indicates this is a positive direct impact to business).

Direct benefits:

Reduction in costs associated with delays (to business): £2.1 billion

Various forms of planning cost savings (to business): £157 million

Appeal/dispute cost savings (to business): (to business): £46 million

It is assessed that there are significant indirect impacts to business that are captured in the NPSV and NPBV but not the EANDCB. Specifically, £1 billion (65%) of the constraint cost savings are expected to accrue to business from reforms to Scottish electricity infrastructure consenting. This indirect impact is somewhat offset by a significant indirect cost to businesses of the costs of earlier network investment (£777 million).

In addition to the significant contributors to the NPBV that are highlighted above, planning fees sub-delegation is expected to yield a significant transfer from business (and households) to Local Planning Authorities (LPAs). Across the appraisal period, the present value of this transfer from businesses to LPAs is £515 million (negative to business, positive to LPAs). This offsets some of the other positive monetised impact to business. However, better funded LPAs are expected to deliver better quality planning decisions which in turn will benefit developers. The monetised impacts associated with planning fees sub-delegation are included in the NPBV (and NPHV) but not in the EANDCB.

This aspect of the scored card is given a positive directional rating.

The monetised estimate of the impact Bill as a whole on households is based on two measures: higher planning fees for households from planning fees sub-delegation and the constraint cost savings from the reforms to Scottish electricity infrastructure consenting.

As with businesses, there is a direct cost to households in the form of a transfer from households to LPAs (as LPAs are expected to respond to the planning fees subdelegation by raising some planning fees). The present value of this transfer is £602m (negative to households, positive to LPAs). However, this is not included in the EANDCH.

A share (35%) of the indirect monetised benefit of constraint cost savings delivered by Reforms to Scottish Consenting (~£540m) is expected to accrue to households. This offsets some of the negative NPV from the planning fees measure, but as it is indirect, it does not affect the EANDCH.

Household NPV: -£62m

EANDCH: £0m

The government does not expect any direct pass through from businesses to households for planning fees, or other measures.

This aspect of the scored card is given a negative directional rating.

Section 2.2 Part B of the scorecard focuses on the impacts of wider Government Priorities and looks at the business environment, international considerations and natural capital and decarbonisation.

Section 2.3 of the scorecard provides a summary of the analysis and evidence with the price base year of 2025 being used and the PV based year being 2026. The scorecard outlines the preferred way forwards for the following: -

Net present social value

The government's central NPSV is +£3.2 billion over the ten-year appraisal period (2025 prices and 2026 present value base year). For many measures in the Bill, additional detail related to their implementation will be finalised during or following this primary legislation stage. This is reflected in a large range in NPSV (Low: £1.3 billion & High: £7.5 billion). Where possible the government state they will have produced monetised estimates of the impact of legislation covering both primary and secondary legislation (though this has not been possible for all measures).

The largest monetised impacts (NPSV), aggregated across several measures, are reported below.

Direct benefits:

Reduction in costs associated with delays (to business): £2.1 billion

Various forms of planning cost savings (to business): £157 million

Appeal/dispute cost savings (to business): (to business): £46 million

Indirect benefits:

Constraint cost savings (to business and households): £1.5 billion

Emissions savings (to society): £147 million

Direct costs:

Costs of producing strategic plans (to public sector): £101 million

Indirect costs:

Earlier network investment (to business): £777 million

Public sector financial costs

The government state that the largest individual benefit to the public sector is a transfer from households and businesses to LPAs as a result of changes in planning fees. This has a present value of £1.1 billion (but is captured as an equal offsetting direct cost to businesses and households). Allowing LPAs to move to cost-recovery for planning fees, will ensure they are better resourced to deliver a more effective planning system. This may reduce delays and associated costs, such as holding costs for land and financing, which can result in significant long-term savings for businesses. There are also expected to be benefits to the public sector in the form of reductions in costs related to appeals, judicial reviews and consultations. These benefits are partially offset by the costs to LPAs of producing strategic plans (NPV of -£101m)

Significant unquantified benefits and costs

The government state that they expect there to be significant further time and cost savings delivered by the reforms. They report that they expect the total NPSV to understate the impact of the combined measures included in this Bill. For example:

- It has not been possible to monetise several impacts relating to the NSIP reforms. These include impacts relating to the system (improved fewer reworks in planning applications) and the benefit of earlier delivery of infrastructure (e.g. environmental benefits from more energy generation infrastructure).
- The benefits of the Long Duration Energy Storage Reforms and Connections Reforms measures are not monetised at this primary legislation stage.
- The Nature Restoration Fund is expected to yield benefits across several environmental obligations. However, uncertainty over which types of 11 obligation the NRF will cover, and data availability means only a subset of benefits associated with discharging nutrient neutrality obligations have been estimated.
- The benefits of Strategic Planning measures are not monetised at this primary legislation stage. Only the public sector costs of producing the plans are monetized

The document reports that the NSIP reforms are the largest source of monetised benefits in this Bill. The main risks to the delivery of these benefits arise from the changes being poorly understood or implemented resulting in delays to development of infrastructure proposals and greater uncertainty for infrastructure developers and investors.

As a result of the sensitivity analysis it is reported that a large range of uncertainty is reflected in our low and high scenarios. However, for measures that have impacts related to the number of planning applications, the government also consider a trajectory for how residential development may increase. In the core analysis, the government use a baseline trajectory for residential planning applications aligned to the OBR's October 2024 forecast of net additions. These projections do not take account of the reforms the Government is making, including to the planning system via changes to the National Planning Policy Framework, to achieve its manifesto commitment of delivering 1.5m houses over the parliament. As a result, the government expect the impacts associated with the OBR trajectory to be an under-estimate of the true impact of the measures in the Bill. The government have also considered a trajectory that is aligned to the delivery of 1.5 million homes this Parliament. In this trajectory, the total NPSV is £588m higher, as there are more residential planning applications that benefit from reductions in costs associated with delays and appeals, and the NPSV for the Bill as a whole rises to £3.7 billion.

4 Problem under consideration

It is stated that the Bill is a key part of the government's commitment to rebuild Britain and kickstart economic growth. The Plan for Change which sets out the governments mission to deliver new homes and the critical infrastructure that underpins economic growth, has been held back by the failures of the planning regime leading to homeownership becoming an increasingly distant dream

The insufficient levels of other key infrastructure from transport to energy generation means that it is more costly to build economic infrastructure than it is in other countries.

The document advises that these overarching problems have been caused by a series of more focused issues that the regulatory provisions detailed in this Regulatory Impact Assessment consider and seek to address. These include:

- The level at which plans and decisions are made
- Growing timescales for decision making and a lack of capacity in the system
- Increase in document volumes and increased risk of legal challenge for critical infrastructure projects.
- Environmental regulations that require site by site mitigation
- Lack of strategic planning
- Overly lengthy and complex processes.

- Limited ability to adapt to reflect strategic Government priorities.

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

5 The rationale for Government intervention

It is stated that the overarching rationale for intervention is to ensure that the government have a planning regime that can deliver the homes and infrastructure the country needs, without imposing disproportionate costs on business

Therefore, it is commented that the measures in the Bill are primarily about improving existing regulation to streamline the consenting processes for housing and critical infrastructure. This can only be achieved through primary legislation and includes:

- Changes to the Nationally Significant Infrastructure Projects regime governed by the Planning Act 2008 to speed up the delivery of critical infrastructure.
- Improvements to the Scottish consenting regime for electricity infrastructure covered by the Electricity Act 1989.
- Changes to processes in the Town and Country Planning Act 1990 to improve certainty and decision-making in the planning system.
- Reforms to the Transport and Works Act 1992 and Highways Act 1980 to speed up the delivery of rail and road infrastructure.

Alongside these measures it is stated that the Bill will also address market failures that are impacting our ability to deliver new homes and infrastructure, particularly the infrastructure needed for our Clean Power 2030 mission:

- Equity considerations
- Barriers to entry
- Asymmetrical market power
- Negative externalities
- Coordination Failure.

In summarising the rationale the government state that without intervention and changes to the statute the planning system will continue to act as a major brake on economic growth and fails to deliver the housing and economic infrastructure that the country needs.

6 Objectives of the Bill

The Bill has five overarching objectives:

- Delivering a faster and more certain consenting process for infrastructure
- Introducing a more strategic approach to nature recovery
- Improving certainty and decision-making in the planning system
- Unlocking land and securing public value for large scale investment
- Introducing effective new mechanisms for cross-boundary strategic planning

It is commented that each of the measures set out in the Bill will support one of the objectives and the annexes associated with the impact assessment identify a SMART policy objective.

7 Description of options

This section of the documents provides an assessment of options for the government.

The baseline option, described as the 'do nothing' option which is stated would not sufficiently support the government's mission of rebuilding Britain by delivering the new homes and the critical infrastructure that underpin economic growth. Inaction would retain the status quo planning system that is increasingly outdated, slow and costly and fails to deliver the infrastructure and housing the country needs

For the non-legislative option, it is commented that the planning regimes for both residential and commercial development, and critical infrastructure are already heavily regulated by requirements set out in primary and secondary legislation – as such, the shortcomings in the system are largely driven by government failure. Tackling this therefore requires rolling back or improving existing regulations. It is also the case that the scale of the challenge facing the government and the level of change that they are seeking to achieve through their missions and Plan for Change milestones is such that there is not a credible non-legislative option that would meet the Bill's policy objectives and the government's wider aims to build 1.5 million new homes and fast-track determination of 150 economic 20 infrastructure projects by the end of this Parliament. Concerted government action through both legislative and non-legislative routes is required to deliver our objectives. Measures in the Bill will come alongside non-legislative interventions.

8 Impact of the Bill measures

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

9 Monitoring and evaluation

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

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

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

A planning wide Theory of Change has been completed. The evaluation will use data already collected by the department to derive indicators of broader outcomes such as the number of planning approvals, speed of applications and net additions. A feasibility study will be conducted to identify if any further data collection exercises need to be undertaken and outline impact evaluation requirements. The final evaluation design will align with MHCLG's evaluation strategy, the Magenta Book and Green Book principles. Funding to resource evaluation is naturally reliant on the Department's financial budgets, and ongoing engagement with the

Exchequer in the routine way. For the remaining measures, the government state that they will work with other government departments responsible and support them to set up quality evaluations monitoring the impact of reforms. They advise that they will publish the evaluation findings in a timely manner, consistent with their policy for publication of research.

Other work that will contribute to their understanding of the impact of the Bill include the following:

- Critical infrastructure reforms:
- Nature Restoration Fund
- Planning fees, planning committees and CPOs:
- Electricity bill discounts
- Highways Act 1980 and Transport and Works Act 1992 reforms

10 Conclusion

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

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

APSE Comment

APSE's housing and planning research papers, many in partnership with the TCPA, have consistently found that local authorities have been removed from an effective role in building new homes, and social homes. In addition, austerity measures and fiscal constraints on local councils, have contributed to the decline in planning capacity. Decades of heavy reliance on private sector developers to build the homes that the nation needs has also resulted in many of the failings outlined in the impact assessment.

Therefore, APSE welcomes the acknowledgement in the impact assessment that Local Authority Planning Authorities play a crucial role in delivering on the commitments set out in the Bill.

However, to achieve the commitments there needs to be meaningful investment in building the capacity and skills not only in Local Authority Planning Authority but also in services such as building services, legal and procurement specialisms. This approach will ensure that the complex infrastructure projects and programme to build homes at scale can be delivered effectively.

In addition, past experience suggests that silo working within central government departments has often frustrated more collegiate methods of delivering on the ground changes. Therefore, as suggested in the paper, developing a more cohesive approach to policy and delivery, whilst ensuring adequate measures are in place to monitor and evaluate the effectiveness of policy interventions will be critical to success. Therefore, recognition in the impact assessment that there needs to be monitoring and evaluation as well as MHCLG working with other departments and wider stakeholders, is welcomed.

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