

**EXPLANATORY MEMORANDUM TO THE
WEST NORTHAMPTONSHIRE DEVELOPMENT CORPORATION (PLANNING
FUNCTIONS) ORDER 2006**

2006 No. 616

1. This explanatory memorandum has been prepared by the Office of the Deputy Prime Minister and is laid before Parliament by Command of Her Majesty.

2. Description

2.1 This Order makes the West Northamptonshire Development Corporation (“the Corporation”) the local planning authority in place of Daventry and South Northamptonshire District Councils, and of Northamptonshire County Council in relation to the kinds of development specified in the Order.

2.2 The Corporation will have planning functions in those parts of the urban development area referred to in the Order as the “central planning functions area” and the “outer planning functions area”. The Order provides that the entire area of the development corporation area is within either the “central planning functions area” (equivalent to the area of the Northampton Town Centre Action Plan Area) and the “outer planning functions area” which is the remainder of the area of the Corporation.

2.3 The Order also makes various transitional provisions (including provision for the former local planning authorities to transmit applications received but not determined by them prior to the date on which the Order comes into force, to the Corporation for its determination).

3. Matters of special interest to the Joint Committee on Statutory Instruments

3.1 None

4. Legislative Background

4.1 The Corporation was established by the West Northamptonshire Development Corporation (Area and Constitution) Order 2004 (S.I. 2004/3370) for the purpose of regenerating three areas in West Northamptonshire, which it designated as an urban development area.

4.2 Section 149 of the Local Government, Planning and Land Act 1980 (“the 1980 Act”) enables the Secretary of State to make provision by order so that an urban development corporation is the local planning authority for the whole or any portion of its area for such purposes of Part 3 of the Town and Country Planning Act 1990 (“the Planning Act”) and in relation to such kinds of development as the Order provides. Part 3 of the Planning Act is concerned with control over development and among other things, defines the meaning of “development”, provides for application for planning permission, and provides for appeals to the Secretary of State. Section 149 also enables the Secretary of State to provide that certain provisions of the

Planning Act apply in relation to the Corporation subject to the modifications set out in Part 2 of Schedule 29. For example, section 249 of the Planning Act (which gives local planning authorities powers to apply to the Secretary of State to extinguish the right to use the vehicles on a highway) can be applied in relation to the Corporation subject to the modification that any reference in section 249 to the local planning authority is to be interpreted as a reference to the Corporation.

4.3 This Order makes provision so that, in the “central planning functions area” in Northampton Town Centre, for broadly all kinds of development (except that relating to households) the Corporation is made the local planning authority for the purposes of Part 3 of the Planning Act. It also provides that in the “outer planning functions area”, those development control functions are in relation to kinds of developments that can be broadly described as “strategic development”. Both the “central planning functions area” and “outer planning functions area” are defined in article 3, and articles 4 and 5 specify the kinds of development in relation to which the Corporation is the local planning authority. As well as specifying particular kind of development article 5(1)(q) specifies development in the “outer planning functions area” which, although not of a type specified, form part of a more substantial proposed development of such a type on the same or adjoining land in the development area. This provision has been included to ensure that the Corporation maintains its role in making decisions that have a direct impact on “strategic development”.

4.4 Article 6 applies all of the provisions relating to the Planning Act listed in Part 2 of Schedule 29 to the 1980 Act in relation to the Corporation. An order under section 149 of the 1980 Act can confer the functions of the local planning authority under the Planning Act and the Planning (Listed Buildings and Conservation Areas) Act 1990 listed in Part 1 of Schedule 29 to the Order (including enforcement functions) on an urban development corporation. Paragraph 7.10 below explains the policy reason why that has not been done in this case.

4.5 A debate on the West Northamptonshire Development Corporation (Area and Constitution) Order took place in the House of Lords on Thursday 9 December 2004 and in the House of Commons on Tuesday 14 December 2004.

4.6 Similar orders have been made in relation to Thurrock Development Corporation (see the Thurrock Development Corporation (Planning Functions) Order 2005 (S.I. 2005/2572)) and London Thames Gateway Development Corporation (see the London Thames Gateway Development Corporation (Planning Functions) Order (S.I. 2005/2721)).

5. Extent

5.1 This instrument applies to England.

6. European Convention on Human Rights

As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.

7. Policy background

7.1 In February 2003, the Deputy Prime Minister set out an action programme to deliver sustainable communities for all ("Sustainable communities: building for the future" ODPM). To accommodate the economic success of London and the wider South East, this programme identified four growth areas, including Milton Keynes/South Midlands. It included a commitment to set up strengthened local delivery agencies in these areas, with the necessary powers to drive forward development. In many locations, local authorities would take the lead with the Regional Development Agency (RDA) and other partners. In a few locations, where the land assembly issues are especially complex, the long term focus and special powers of an urban development corporation (UDC) would be established.

7.2 The statutory objective and powers of a UDC are set out in section 136 of the 1980 Act. A UDC's objective is to secure the regeneration of its area. This is to be achieved by:

- bringing land and buildings into effective use;
- encouraging the development of existing and new industry and commerce;
- creating an attractive environment; and
- ensuring that housing and social facilities are available to encourage people to live and work in the area.

7.3 For the purpose of achieving the regeneration of its area, the 1980 Act states that a UDC may:

- acquire, hold, manage, reclaim and dispose of land and other property;
- carry out building and other operations;
- seek to ensure the provision of water, electricity, gas, sewerage and other services;
- carry on any business or undertaking for the purposes of regenerating its area; and
- generally do anything necessary or expedient for this purpose, or for purposes incidental to those purposes.

7.4 Consultation on the establishment of a UDC in West Northamptonshire took place between 15 January and 12 March 2004. Six petitions were deposited against the Order to establish the UDC. Following a hearing of the Hybrids Instruments Committee, five petitions were granted locus standi and a House of Lords Select Committee was set up to hear their concerns. Between 25 October and 4 November, the Select Committee, Chaired by Lord Boston of Faversham, heard evidence. On 17 November, the Committee published its report, recommending that the UDC Order should be approved. The recommendation was subject to an agreement from Government that local authority representation on the Board should be increased from four to six places. The Government gave that undertaking and, in December 2004, established the West Northamptonshire Development Corporation (WNDC) with an indicative lifespan of 10 years. On 4 April 2005, a 12-week consultation exercise was launched on the transfer of development control powers to the West Northants Development Corporation (WNDC). Consultees were asked for views on the scope of these powers and proposed three alternative sets of thresholds for the type and size of development for which applications would be determined by the WNDC rather than by the local authorities.

7.5 Over 50 responses were received from a wide range of stakeholders, including local authorities, parish councils, other public sector bodies, businesses, developers, interest groups and members of the community. There was wide-spread agreement with the principle of transferring strategic development control powers to the WNDC, with a large majority of the respondents in favour of the proposal. The responses broadly endorsed a medium threshold (in summary, more than 50 homes or 2,500m² of business floorspace) as being the most appropriate definition of a strategic scheme.

7.6 However for Northampton town centre, many respondents offered an alternative view, with a significant number calling for the WNDC to be given powers over applications for smaller-scale development. The WNDC's own consultation response called for them to be given the power to determine almost all planning applications in the town centre, arguing that the cumulative effect of small changes could have a significant influence on an area of strategic importance to the whole county.

7.7 Following the close of the consultation, alternative proposals were developed by the WNDC and Northampton Borough Council, for the WNDC to determine all applications (except householder) for new development and changes of use in an area defined by the borough council as the Town Centre Action Plan Area. As this is outside the scope of the proposals put forward in the first consultation, a second consultation was launched in November 2005, the responses to which broadly supported these plans. A detailed "decision-document" has been issued taking into consideration the responses to both of the consultations:

<http://www.odpm.gov.uk/index.asp?id=1128692>

7.8 Having carefully considered these representations, Ministers were satisfied that planning powers are of considerable importance to the effectiveness with which the WNDC can deliver regeneration. They were equally clear that it would not be appropriate to give the WNDC powers over applications not relevant to its purposes. It was therefore decided that, for most of the development area, the WNDC should be made the local planning authority only in relation to applications for large-scale developments – in summary, more than 50 homes or 2500m² of business floorspace. However, they also decided that in Northampton's central area, given its strategic importance to the county, the WNDC should be given powers to determine most applications except for householder development, which will remain the responsibility of the local authorities.

7.9 This Order specifies the type of application for which the corporation will become the local planning authority for development control decisions - being the type of development considered to be most relevant to the purposes of the corporation, taking into account local considerations. Development plan making powers cannot be transferred to UDCs; however the corporation will produce its own development strategy, which will need to take account of the local plan and any local development documents produced under the Planning and Compulsory Purchase Act 2004.

7.10 The Order does not give the corporation the power to determine listed building and conservation area consents under the Planning (Listed Buildings and Conservation Areas) Act 1990, as these require specialist local knowledge and would be best carried out by the local authorities. The WNDC will, however, put in place procedures to ensure close working with the local authorities, to provide a unified process in cases

where their powers overlap. Also, the Order does not give the corporation enforcement powers under the Planning Act because of the administrative and resource burden involved.

7.11 The WNDC has discussed with the relevant local authorities agreements whereby planning advice is prepared for the WNDC by officers employed by the local authorities for the WNDC's planning committee and Board. The precise nature of the arrangement has been negotiated by the WNDC and will be put in place by its board.

8. Impact

8.1 A full Regulatory Impact Assessment is attached to this Memorandum. It updates the partial RIA that accompanied the consultation paper, taking account of comments received from consultees.

8.2 The impact on the public sector is limited to those local authorities which will share their development control responsibilities with the WNDC. Their relationship with the WNDC and their responsibilities following commencement of this Order will be set out by service level agreements agreed by them with the WNDC.

9. Contact

Antonio Irranca at the Office of the Deputy Prime Minister, tel: 020 7944 8671 or e-mail: Antonio.irranca@odpm.gsi.gov.uk can answer any queries regarding the instrument.

FINAL REGULATORY IMPACT ASSESSMENT (RIA)

Title of Proposal

1. **Conferring Development Control Powers on the West Northamptonshire Development Corporation in the Northampton Town Centre Action Plan Area**

Purpose and Intended Effect of Measure

Objective

2. The aim of the proposals is to support the growth potential of West Northamptonshire through regeneration and improvement of Northampton Town Centre, an area of strategic importance to the region.

Background

3. As set out in the Sustainable Communities Plan (ODPM, February 2003 <http://www.communities.gov.uk/plan/main/>), Northampton and surrounding districts (Daventry and South Northamptonshire) are a key focus for accelerated growth, with significant scope for building on the area's economic success of recent decades. However, there are a number of challenges in unlocking the growth potential including:
 - managing large-scale growth across administrative boundaries;
 - creating a strategic focus of growth in and around Northampton, which links the regeneration of brownfield sites and the strategic development of some greenfield to create a more sustainable land use pattern;
 - addressing land assembly and remediation issues and the provision of infrastructure to support development;
 - attracting greater levels of private investment;
 - raising skill and employment levels across the area; and
 - addressing the pockets of deprivation in areas within Northampton.
4. Urban Development Corporations (UDCs) such as the WNDC are tasked with bringing land and buildings into effective use, encouraging the development of existing and new industry and commerce, creating an attractive environment and ensuring that housing and social facilities are available to encourage people to live and work in the area. For these purposes, a UDC may:
 - acquire, hold, manage, reclaim and dispose of land and other property;
 - carry out building and other operations;
 - seek to ensure the provision of water, electricity, gas, sewerage and other services;
 - carry on any business or undertaking for the purposes of regenerating its area; and
 - generally do anything necessary or expedient for this purpose.
5. Government has established the WNDC following consultation with local partners to drive forward regeneration, improved infrastructure, investment and sustainable growth. As Government has indicated previously, development control powers for strategic sites and schemes will be an important element in the WNDC's drive to maximise public and private investment in infrastructure and accelerate the regeneration of brownfield and town centre sites.

6. The Local Government, Planning and Land Act 1980 enables the Secretary of State to provide for the UDC to be the local planning authority for the whole or any part of its area. The legislation also provides that the Secretary of State may confine the scope of the order to specified purposes of Part 3 of the Town and Country Planning Act (control over development), and to certain kinds and sizes of development. Once the Order is laid defining development thresholds above which applications will fall to the WNDC to determine, it can only be amended by a subsequent Order.
7. This Final Regulatory Impact Assessment accompanies the Order to confer development control powers on the West Northamptonshire Development Corporation (WNDC) in the development area, for the kinds of development set out in the Order.

Rationale for government intervention

8. The major objective for the WNDC is to maximise public and private investment and to ensure delivery of key projects in order to achieve its regeneration objectives and create more sustainable communities. Conferring development control powers will enable the Development Corporation to maximise the potential regeneration and allow a one-stop-shop approach for developers, so lessening commercial risk and delays in development and thus maximising developer contributions.
9. It will also ensure that the ambitious housing growth figures for the area (47,400 new homes before 2021) are delivered in a sustainable and contextually sensitive manner. Without development control powers the Development Corporation will not be able to regenerate the area and to deliver the step change in housing.
10. Without adequate development control powers the WNDC would be less effective and therefore the regeneration and growth potential in West Northamptonshire might not be realised and the opportunity to deliver extra housing and employment missed. This could happen through inaction, where limited development takes place, through development being taken forward in a way that fails to deliver balanced sustainable communities, or through the WNDC being unable to achieve its objectives.
11. The scale and intensity of the task of land assembly and site preparation in West Northamptonshire is significant and crosses administrative boundaries. If the delivery vehicle does not have the necessary planning powers or the ability to generate increased private investor confidence there is a risk that the growth potential of the area would not be achieved.

Consultation

Within government

12. Countryside Agency
Daventry & South Northants Primary Care Trust
East Midlands Development Agency
English Heritage
English Nature
English Partnerships

Environment Agency
Northants Learning and Skills Council
Northampton Primary Care Trust
Strategic Rail Authority

Public consultation

13. The Government held consultation on proposals to bring forwards a UDC for West Northamptonshire. Part of this consultation proposed conferring development control powers to the WNDC. This proposal was broadly welcomed by the private sector, Government agencies and a number of local representatives. Other respondents were of the view that planning powers were unnecessary or undesirable.
14. Following establishment of the Development Corporation, the Government held a further consultation specifically on the conferring of development control powers for significant and strategic sites to the WNDC. This invited responses on the general principle of conferring powers onto the WNDC and proposed different methods by which the WNDC's powers could be limited so as to give the WNDC power to operate strategically.
15. Over 50 responses were received from a wide range of stakeholders. These included the local authorities and the WNDC, relevant government agencies, Parish Councils, voluntary and community groups as well as individuals. The responses broadly endorsed a threshold approach to conferring powers on the WNDC, with the most support for a medium threshold of 50 dwellings or 2500m² of floorspace. For the central area of Northampton, an alternative proposal emerged from the consultation, with the support of both the WNDC and Northampton Borough Council, for the WNDC to be conferred powers to determine development applications of much smaller scale, outside of the scope discussed in the previous consultation. A further consultation on this proposal has endorsed this approach.

Options

16. The options for conferring development control powers onto the WNDC that were considered were:

A Do nothing.

17. This is the base case scenario where no changes are made to the existing development control arrangements. The WNDC would be entirely dependent on the Local Authorities to unlock the growth potential of West Northamptonshire, which would risk delays in the delivery of, and lost opportunities for, regeneration and growth in West Northamptonshire.

B Confer limited development control powers to the WNDC. These powers would be limited to a number of specific sites within the Urban Development Area. (Site specific powers)

18. This option would make the WNDC the Planning Authority for a selection of sites where there appears to be a strong good potential for growth. This would require those sites where the WNDC would take control to be identified in the Order. If, in the future, additional sites are identified to be of strategic interest a

subsequent order would be required to allow the WNDC to intervene in those sites.

19. **Risks** – It would be very difficult to specify in the Order those sites which will become available for development over the 10 year life of the WNDC. Therefore, it is likely that limiting development control powers to specified sites will exclude the WNDC from making full use of future regeneration and growth opportunities.

C Confer limited development control powers to WNDC. These powers would be limited by establishing a series of development size thresholds, above which applications would be determined by the WNDC.

20. This option would make the WNDC the planning authority for any developments of sufficient scale to breach one of the specified thresholds. Three alternative sets of thresholds were proposed. These were:

- (i) **Threshold Option 1** A low threshold (10 homes, 1000m² business space) which would give the WNDC responsibility for all major applications, as currently defined;
- (ii) **Threshold Option 2** A medium threshold (more than 50 homes or 2,500m² business space) which would give the WNDC responsibility for the majority of strategic schemes with which it is likely to be concerned as part of its regeneration objectives;
- (iii) **Threshold Option 3** A high threshold (more than 150 homes or 7,500m² business space) which would give the WNDC responsibility only for the largest strategic schemes.

21. **Threshold by location approach** – A variation on the threshold approach would involve having differing thresholds in different parts of the Urban Development Area. For example a lower threshold in Northampton, where developments would often be strategically important due to their location rather than their size.

22. **Risks** – The major risk is that, while development control powers for only larger schemes might be appropriate throughout most of the development area, where most of the housing growth and regeneration will be achieved through the redevelopment of large brownfield and other sites, there are very few opportunities for developments larger than the Option 1 thresholds in the central area of Northampton. This would make it more difficult for the WNDC to influence the future development and regeneration of Northampton town centre, which is likely to come about mainly through the cumulative effect of small scale developments and changes. The regeneration of the town centre might not therefore be realised, with adverse effects on growth potential throughout West Northamptonshire. This could happen through inaction, where limited development takes place, or through development being taken forward in a way that fails to deliver balanced sustainable communities.

D Northampton Central Area Proposal – Limit the WNDC development control powers by one of the above thresholds throughout most of the development area, with powers to determine most applications Northampton Town Centre.

23. This option would give the WNDC the power to determine, for the Central Area of Northampton, all applications for development under Part 3 of the Town and Country Planning Act 1990, including changes of use. This would enable the WNDC to determine approximately half of the planning applications submitted for the central area (of which there are about 100 each year). They would still not determine applications for listed buildings, conservation areas, advertisements or alterations to existing dwellings. This will give them more opportunities to influence the small-scale decisions which affect the character and popularity of the town centre.
24. **Risks** – There is a risk that, by having lower threshold powers, the WNDC will be overwhelmed by applications for development not relevant to their strategic objectives. By limiting these powers to a small area, and by developing a protocol with Northampton Borough Council for the extensive use of their existing planning staff to process applications and make recommendations, this risk should be minimised. There is a further risk that applications will come in requiring determinations from both bodies (such as change of use of and alterations to a listed building). This could be a concern to applicants or result in incompatible determinations. The two bodies are working together on a unified protocol for dealing with listed buildings to ensure that this does not occur.

Alternative Options Considered

Confer development control Powers for all sizes of developments in all areas.

25. This was the method used by the previous generation of UDCs and gives the WNDC extremely wide scope for intervention. However, conferring development control powers for all applications onto the WNDC has little additional value and would greatly weaken the strategic focus of the WNDC. The valuable experience of the Local Authority planning departments would be under-utilised, whilst the WNDC would be forced to consider a considerable number of non-strategic applications. Furthermore, the new generation of Urban Development Corporations are intended to work in close partnership with the Local Authorities and conferring development control powers for all applications could seriously weaken this partnership.

Costs and Benefits

Sectors and groups affected

26. The main groups directly affected by this proposal would be property developers; owners of commercial premises in Northampton town centre who are seeking to alter existing premises or build new ones; the local authorities whose planning powers would be affected; and the local community.
27. Local Authorities would no longer be the Planning Authority for developments that fall above the chosen thresholds. Some respondents to the consultation were concerned by the democratic deficit introduced by removing these powers from the local authorities. However, all four local authorities affected are represented on the WNDC Board.

28. Those submitting applications to the WNDC would have their applications processed by the same administrative staff in the same way (through a protocol agreed with the local authorities). Developers submitting applications to the WNDC would benefit from a one-stop-shop approach to planning.
29. Local communities would not be significantly affected by conferring development control powers onto the WNDC. Plan-making powers, which set out the location, type and scale of development, will be retained by the local authorities; whereas the volume of housing growth is established by a separate statutory process at regional level.
30. Local communities would not suffer the loss of any opportunities to engage with the planning system. The WNDC would have to abide by exactly the same rules on public consultation that apply to local authorities. It would need to publish its approach and procedures for consulting the community. It would need to advertise applications and it would hold its meetings in public. Applications made to the WNDC would carry the same rights of appeal and may be subject to Secretary of State Appeal and call in the same way as any other developments.

Race equality assessment – We do not envisage any race equality impacts.

Health impact assessment – We do not envisage any impacts on health.

Rural considerations

31. There would be no direct impact on rural areas from this proposal. This proposal would help the area achieve the growth laid out in the MKSM Sub Regional Strategy (MKSM- SRS) as part of the Sustainable Communities Plan. Growth in West Northamptonshire would be focused on the urban areas of Northampton, Daventry and Towcester. Part of this growth would be accommodated through sustainable urban extensions on what is currently greenfield land.
32. The indirect effects of this proposal to confer development control powers onto the WNDC would be actually have minimise the greenfield take positive effect on the rural area, maximising the potential of Northampton's brownfield land so minimising the need for greenfield developments. Where greenfield development is required, the development control powers of the WNDC would ensure that those urban extensions are sustainable.

Breakdown of costs

33. **For all scenarios apart from 'Do Nothing'** - There are no additional costs to business, but there could be some transitional and organisational costs for the four Local Authorities in adapting the operation of their development control procedures and handling to allow for a split of responsibilities with the WNDC. However, these costs are not expected to be significant and the issue was not raised by any of the relevant Local Authorities in their responses to the consultation. There would be only marginal differences in these costs between the different options since the Local Authority would continue to do much of the process work under the protocol they have agreed with the WNDC.

A – Do Nothing Scenario

34. Economic costs:
 - Loss of potential developer contributions to enable the WNDC to deliver sustainable cross boundary infrastructure - Greatest cost under this scenario.
 - Potential LA reorganisation and restructuring - costs are least under this scenario.
 - Opportunity cost of WNDC being significantly less effective as the lead agency of regeneration in the area. Greatest under this scenario.
35. Environmental costs:
 - Increased likelihood of Greenfield development through under-utilisation of Brownfield land - costs are greatest under this scenario.
36. Social costs:
 - Potential for 'democratic deficit' (resulting from conferring powers onto the WNDC): no costs under this proposal.

B – Powers Limited to Specific Sites

37. Economic costs:

- Loss of potential developer contributions to enable the WNDC to deliver sustainable cross boundary infrastructure - The costs under this scenario is less than the do nothing development, but greater than those below.
- Potential LA reorganisation and restructuring - costs are marginally more than the do nothing scenario, but marginally less than those below.
- Opportunity cost of WNDC being significantly less effective as the lead agency of regeneration in the area. Less under this scenario than the do nothing option, but more than those below.

38. Environmental costs:

- Increased likelihood of Greenfield development through under-utilisation of Brownfield land, costs are less that under the above scenario but greater than under those below.

39. Social costs:

- Democratic deficit (resulting from conferring powers onto the WNDC): potential costs are limited under this proposal as most areas will remain unaffected.

C (i) – Powers Limited by Threshold Option 1

40. Economic costs:

- Loss of potential developer contributions to enable the WNDC to deliver sustainable cross boundary infrastructure – the costs under this scenario is less than the scenarios below, but greater than those above.
- Potential LA reorganisation and restructuring – costs may be marginally more than the other scenarios with the exception of the Central Area Proposal.
- Opportunity cost of WNDC being significantly less effective as the lead agency of regeneration in the area – least under this scenario, except for in Northampton Town Centre under the Central Area Proposal.
- Opportunity cost of WNDC one-stop-shop being less efficient due to over-burdening of planning capacity – greatest under this scenario, with the possible exception of the Central Area Proposal.

41. Environmental costs:

- Increased likelihood of Greenfield development through under-utilisation of Brownfield land. Costs are least under this option.

42. Social costs:

- Democratic deficit (resulting from conferring powers onto the WNDC): Potential costs are greatest under this proposal, except for in Northampton Town Centre for the Central Area proposal.

C (ii) – Powers Limited by Threshold Option 2

43. Economic costs:

- Loss of potential developer contributions to enable the WNDC to deliver sustainable cross boundary infrastructure - the costs under this scenario are

less than under all scenarios except Threshold Option 1 and the Central Area Proposal.

- Potential LA reorganisation and restructuring - the costs under this scenario are marginally greater than under all other proposals apart from Threshold Option 1 and the Central Area Proposal.
- Opportunity cost of WNDC being less effective as the lead agency of regeneration in the area - cost is higher under this proposal than under Threshold Option 1 and the Central Area Proposal, but lower than under all other scenarios.
- Opportunity cost of WNDC one-stop-shop being less efficient due to over-burdening of planning capacity. Costs are less under this scenario than under Threshold Option 1 and under the Central Area Proposal, but likely to be higher than under all other scenarios.

44. Environmental costs:

- Increased likelihood of Greenfield development through under-utilisation of Brownfield land. Cost is higher under this proposal than under Threshold Option 1 and the Central Area Proposal, but lower than under all other scenarios.

45. Social costs:

- Democratic deficit (resulting from conferring powers onto the WNDC). Costs are less under this scenario than under Threshold Option 1 and under Threshold by Location, but higher than under all other scenarios.

C (iii) – Powers Limited by Threshold Option 3

46. Economic costs:

- Loss of potential developer contributions to enable the WNDC to deliver sustainable cross boundary infrastructure - the costs under this scenario are greater than under all other scenarios apart from the 'do nothing' and 'specific sites' options.
- Potential LA reorganisation and restructuring - the costs under this scenario may be marginally less than under all other proposals apart from the do nothing option.
- Opportunity cost of WNDC being less effective as the lead agency of regeneration in the area – likely to be higher under this proposal than under all other scenarios apart from the do nothing scenario.
- Opportunity cost of WNDC one-stop-shop being less efficient due to over-burdening of planning capacity - costs will be greater under this scenario than under the 'do nothing' and 'specific sites' options, but less than under all other scenarios.

47. Environmental costs:

- Increased likelihood of Greenfield development through under-utilisation of Brownfield land. Cost is higher under this proposal than under all other scenarios except the Do Nothing Scenario.

48. Social costs:

- Democratic deficit (resulting from conferring powers onto the WNDC) - the costs under this scenario are greater than under all other scenarios apart from the 'do nothing' and 'specific sites' options.

D – Central Area Proposal – lower thresholds for Northampton Town Centre.

49. Economic costs:

- Loss of potential developer contributions to enable the WNDC to deliver sustainable cross boundary infrastructure - the costs under this scenario are likely to be less than under all other options for Northampton Town Centre.
- Potential LA reorganisation and restructuring - costs are marginally higher than all other scenarios, due to having two threshold levels in Northampton Borough.
- Opportunity cost of WNDC being significantly less effective as the lead agency of regeneration in the Central Area - less than under all other scenarios.
- Opportunity cost of WNDC one-stop-shop being less efficient due to over-burdening of planning capacity. Greater under this scenario for the central area. However, small size of area means that actual number of applications is small.

50. Environmental costs:

- Increased likelihood of Greenfield development through under-utilisation of Brownfield land. Costs are least under this option, as this is most likely to ensure efficient use of town centre land.

51. Social costs:

- Democratic deficit ((resulting from conferring powers onto the WNDC) – this option has the highest cost for the central area.

Breakdown of Benefits

A – The Do Nothing scenario

52. Economic benefits:

- WNDC: would not have to consider planning applications - likely to be financially neutral, as the WNDC would have engaged the LA's planning departments existing staff.
- Potential LA reorganisation and restructuring - No requirement for the minor re-structure of the planning departments.
- Business users - no additional benefits.

53. Environmental benefits:

- No benefits of this scenario

54. Social benefits:

- No democratic deficit resulting from conferring powers onto the WNDC.

B – Powers Limited to Specific Sites

55. Economic benefits:

- Low level of access to developer contributions by WNDC - benefit is less under this scenario than all others apart from the Do Nothing and Threshold Option 3 proposals.

- Design Quality: as direct participant to planning applications, the WNDC would be able to positively influence the general quality of design. Benefit is lowest under this scenario than all others apart from the Do Nothing and Threshold Option 3 proposals.
- Business users (developers) - Benefit is lowest under this scenario than all others apart from the Do Nothing and Threshold Option 3 proposals..

56. Environmental benefits:

- Would facilitate more brownfield development than the Do Nothing scenario

57. Social benefits:

- There would be no direct social benefits from this proposal.

C (i) – Powers Limited by Threshold Option 1

58. Economic benefits:

- Developer contributions: Maximum direct access for WNDC to developer contributions.
- Design Quality: as direct participant to planning applications, the WNDC would be able to positively influence the general quality of design. Benefit is highest under this scenario except for in Northampton Town Centre under the Central Area Proposal.
- Effectiveness of WNDC as planning body: no additional benefits of this scenario - burden of considering a large volume of non strategic applications would negate the advantages of the one-stop-shop approach.

59. Environmental benefits:

- Maximum capacity for the WNDC to facilitate the sustainable development of brownfield land in West Northamptonshire - should keep greenfield development to a minimum.

60. Social benefits:

- There would be no direct social benefits from this proposal.

C (ii) – Powers Limited by Threshold Option 2

61. Economic benefits:

- Reasonable access to developer contributions by WNDC.
- Design Quality: as direct participant to planning applications, the WNDC would be able to positively influence the general quality of design. Benefit is highest under this scenario than all others apart from Threshold Option 1 and the Central Area Proposal.
- Business users (developers) - significant benefit to developers. Benefits are less than Threshold Option 1 but higher than all others.

62. Environmental benefits:

- Would facilitate more Brownfield development than Threshold Option 3 and the Do Nothing scenario and in the long term, than site specific powers.

63. Social benefits:

- There would be no direct social benefits from this proposal.

C (iii) – Powers Limited by Threshold Option 3

64. Economic benefits:

- Low level of access to developer contributions by WNDC - benefit is less under this scenario than all others apart from the Do Nothing Option.
- Design Quality: as direct participant to planning applications, the WNDC would be able to positively influence the general quality of design. Benefit is lowest under this scenario than all others apart from the do nothing scenario
- Business users (developers) - Benefit is lowest under this scenario than all others apart from the do nothing scenario.

65. Environmental benefits:

- Would facilitate more Brownfield development than the Do Nothing scenario

66. Social benefits:

- There would be no direct social benefits from this proposal.

D – Central Area Proposal

67. Economic benefits:

- High level of access to developer contributions by WNDC - higher than all others for central area.
- Design Quality: as direct participant to planning applications, the WNDC would be able to positively influence the general quality of design. Benefit is greatest in Northampton town centre than for any other proposal
- Business users (developers) - benefit is greatest under this scenario for Northampton Town Centre.

68. Environmental benefits:

- Would facilitate more Brownfield development than other scenarios in Northampton Town Centre.

69. Social benefits:

- There would be no direct social benefits from this proposal. However, this proposal will help to boost the regeneration and renewal of Northampton Town Centre, with consequent improvements to the quality of life of residents of West Northamptonshire.

Small Firms' Impact Test (SFIT)

70. There are no perceived negative impacts on the small business community resulting from this proposal. There are no additional powers of intervention proposed; merely change of ownership of some of those already held by the Local Authorities. We have discussed this with the Small Business Service, and they concur with this position. In the Northamptonshire Chamber's submission, made on behalf of some 13,000 companies across the county, the Chamber welcomed the proposed conferring of development control powers onto the WNDC.

71. With development control powers, the WNDC would be able to secure much

greater investment and confidence from the private sector. A key objective of the WNDC is raising employment and skills, promoting the attractiveness of the area and securing higher quality jobs and business growth. This would shape the way in which the WNDC uses its development control powers.

Competition Assessment

72. It is not considered that conferring development control powers onto the WNDC would have any negative impact on competition. The reduced risk and uncertainty to applicants is likely to stimulate competition in some markets.

Enforcement, Sanctions and Monitoring

Enforcement

73. This is not relevant to this proposal.

Sanctions

74. This is not relevant to this proposal.

Monitoring and review

75. The WNDC has a comprehensive review after five years. This will be conducted by ODPM in consultation with the WNDC and other relevant parties to establish if the WNDC should continue its role for a further five years. The success of the development control system will be an important part of that review.

Implementation and Delivery Plan

76. This is not relevant to this proposal. Upon commencement of their powers, the WNDC will take on their full responsibilities for the determination of applications for development, in accordance with the service level agreements they have negotiated with the relevant local authorities.

Summary and Recommendation

- 77. Initially, the government was inclined towards conferring threshold option two across the entire urban development area. After consultation, the strategic importance of Northampton Town Centre to the WNDC's objectives is considered to be great enough to warrant a lower threshold in this area. The regeneration of this area is critical not only to Northampton, but to the success of the Growth agenda in the whole of the county. A mixed option gives the WNDC the best combination of powers through which it can achieve its objectives of regeneration and housing delivery. It should not over-burden the WNDC with non strategic applications, but should allow the WNDC to intervene in Northampton Town Centre, maximise development on Brownfield land and minimise required Greenfield developments. Although there is the risk of confusion for applicants, this should be easily and effectively mitigated through clear publicity and a constructive partnership between the WNDC and the Local Authorities. A Service Level Agreement has been negotiated and aims to provide transparent thresholds, whereby design quality and other key measures of sustainability are evident either side of the threshold.

- 78. After careful consideration of the consultation responses, particularly those of the four Local Authorities and the WNDC, the Government recommends that the WNDC be given powers to determine applications above the Option 2 thresholds (in summary, 50 dwellings or 2500m² business floorspace) throughout most of the development area, with lower thresholds, encompassing all applications for development except alterations to existing dwellings, in Northampton Town Centre.

Declaration and Publication

I have read the regulatory impact assessment and I am satisfied that the benefits justify the costs

Signed ...Kay Andrews.....

Date 3rd March 2006

Kay Andrews, Parliamentary Under Secretary of State, ODPM

Minister's name, title, department

Contact point for enquiries and comments:

Antonio Irranca
Growth Areas Division
Office of the Deputy Prime Minister
Zone 1/C4, Eland House
Bressenden Place
London SW1E 5DU

