



Council name	COTSWOLD DISTRICT COUNCIL
Name and date of Committee	PLANNING AND LICENSING COMMITTEE – 13 MAY 2026
Subject	RESPONSE TO MINISTRY FOR HOUSING, COMMUNITIES AND LOCAL GOVERNMENT CONSULTATION: FEES FOR PLANNING APPLICATIONS
Wards affected	All
Accountable member	Councillor Juliet Layton - Cabinet Member for Housing and Planning
Accountable officer	Geraldine LeCointe – Assistant Director of Planning Services
Report author	Harrison Bowley – Head of Planning Services
Summary/Purpose	The Ministry of Housing, Communities and Local Government (MHCLG) is consulting (23 March–18 May 2026) on reforms to planning application fees in England, to better resource Local Planning Authorities (LPA) and improve timeliness and quality of decision-making. The main proposal is a new National Default Fee Schedule set at around 90% of the estimated cost of processing each application type, updated annually for inflation, alongside a local variation model (enabled by the Planning and Infrastructure Act 2025) allowing authorities to vary fees locally based on evidenced costs, potentially subject to a cap.

	<p>The consultation also proposes simplifying and restructuring fee categories (including for outline/full/reserved matters, agricultural development, prior approvals, permission in principle and s73/s73B applications) and seeks initial views on a ~10% surcharge on fees to help fund statutory consultees, with further detail to follow.</p> <p>This report provides an overview of the consultation and a draft of the Council's proposed responses to the questions set out.</p>
Annexes	Annex A – Copy of Consultation.
Recommendation(s)	<p>That the Planning and Licensing committee resolves to:</p> <ol style="list-style-type: none"> 1. Agree to the consultation response and; 2. Delegate authority to the Head of Planning Services to respond to the consultation on behalf of Cotswold District Council.
Corporate priorities	<ul style="list-style-type: none"> • Delivering Housing
Key Decision	NO
Exempt	YES
Consultees/ Consultation	<p>This is a consultation undertaken by Ministry for Housing, Communities and Local Government to which Cotswold District Council will respond as a Local Planning Authority. The consultation is available to all parties to respond to.</p>

Overview of Key Proposals

This open government consultation asks for views on changing how planning application fees work in England, with the overall aim of moving fees closer to cost recovery and reshaping the system for the future.

The consultation proposes:

- A new national “default” fee schedule set at around 90% of estimated processing costs, intended to raise fee income closer to the cost of running development management services, and to act as a baseline for a new model where fees may vary locally.
- Simplifying and restructuring fee categories, including introducing some new fees, to reduce complexity for applicants and users of the system.
- A surcharge linked to statutory consultees, proposed at around 10% of the national default fee, to be applied via the planning fee system.
- Principles for locally set fees (a “local variation” approach), including seeking views on whether there should be a cap on locally set fees.
- Reviewing the future role of discretionary services (notably Planning Performance Agreements and pre-application advice) in light of higher default fees and the introduction of local variation.

Responses to Consultation Questions

Q1. Do you support the proposed National Default Fee Schedule, set at 90% of full estimate cost?

Response:

Yes - Cotswold District Council (CDC) supports in principle the introduction of a National Default Fee Schedule set at 90% of estimated full cost, as a pragmatic step

towards addressing the well-evidenced gap between fee income and the cost of determining planning applications.

CDC also supports the principle that the national default should provide a robust baseline for the new local variation model, enabling councils to evidence and justify departures from default fees where local costs warrant this.

Q2. Are there any proposed fees in the National Default Fee Schedule that you consider to be unrepresentative of 90% of estimated full cost levels for LPAs (either too low or too high)?

Response:

Yes - CDC believes some proposed fees may remain unrepresentative:

- Discharge of Conditions - The survey evidence identifies discharge of conditions as consistently under-priced across LPAs. CDC notes that condition discharge can be resource-intensive, particularly where multiple conditions require iterative submissions and coordination with specialist consultees.
- Outline Planning Consent - The consultation highlights that outline applications (especially for major development) are frequently under-priced and that modern outline submissions can involve extensive technical material and prolonged engagement over multi-phase schemes. CDC supports reforms that better reflect complexity, not just site area.

In responding to the consultation, the Council would emphasise the importance of recognising the continuing "structural" under-recovery that will remain even if the proposed National Default Fee Schedule is implemented, because some statutory consents and controls will still not attract any fee, specifically including listed building consent and consent for works to protected trees, which Government proposes should remain exempt. This is particularly relevant for authorities such as Cotswold District Council where heritage assets, conservation areas and environmental

constraints are a significant feature of the area and generate a sustained workload across validation, specialist assessment, consultation, negotiation and decision-making. In practice, this means that a notable proportion of the planning service will continue to be funded from general budgets, even if fee income for “fee-charging” applications moves closer to cost recovery. CDC therefore considers that, if Government’s policy intention is genuinely to improve capacity and performance, it should ensure councils are not left carrying an unrecoverable cost burden for these exempt regimes. If the intention remains to exempt such applications from fee’s, Government should identify an alternative funding mechanism for example, specific grant support, an agreed cross-subsidy approach within the fee framework, or other system-wide resourcing measures.

Q3. Do you support the proposed changes to the fee structures for outline, full and reserved matters applications for residential and non-residential development as set out in the proposed National Default Fee Schedule?

Response:

Yes – CDC supports the proposed changes in principle, as the consultation recognises that the current fee structures for residential and non-residential development have become overly complex, can be confusing for applicants and administrators, and do not always reflect the scale or work involved in determining modern applications.

Q4. What further changes, if any, do you think should be made to the structure of fees for outline, full and reserved matters applications?

In your response, you may wish to comment on: whether a more simplified banding structure would be preferable to increments per unit or per area how fees could better reflect varying site characteristics or levels of complexity whether the current approach to mixed use development fees should be simplified how fees should

operate for large multi-phase developments, including whether it remains appropriate to have maximum fee levels or caps for reserved matters applications whether an additional band or higher fee should apply to applications requiring EIA. Please provide evidence where possible.

Response:

CDC would support exploring a clearer banded approach (for example, by dwelling number ranges or floorspace ranges) where it would improve predictability and reduce administrative complexity, as the consultation suggests. A banded structure can be easier for applicants to understand and for authorities to administer, and may better align with the reality that workload often increases in "steps" rather than in perfectly linear increments.

CDC supports the consultation's suggestion that applications requiring Environmental Impact Assessment (EIA) can create significantly higher workloads due to complex technical material and the need for specialist input. CDC support the proposal to an additional band or uplift for EIA development (for outline and full applications) to better align fees with the resources required to process these cases.

Q5. Do you support the proposed changes to the fee structures for applications for agricultural development as set out in the proposed National Default Fee Schedule?

Response:

Unsure – CDC supports the direction of travel to simplify and rationalise planning fee structures, and recognises the consultation's intention to address the existing agricultural fee framework which is widely viewed as overly complex, with multiple thresholds and bespoke calculation methods that can be difficult for applicants to understand and for authorities to administer.

However, CDC is not fully convinced that the agricultural element of the proposed National Default Fee Schedule (Appendix/Annex A) achieves the stated objective of simplification in practice. While the consultation indicates an intention to bring

agricultural fees into closer alignment with the approach for other non-residential development, the resulting structure still appears to retain a level of complexity that may continue to generate confusion, inconsistent charging, and avoidable validation queries.

CDC would therefore support the proposed changes subject to Government:

- providing a simplified, clearly banded structure for agricultural development (with fewer thresholds and clearer “which category applies” rules), and/or worked examples to demonstrate how fees should be calculated in common scenarios; and
- confirming that any increases remain modest and proportionate for typical agricultural proposals, with particular attention to smaller-scale rural schemes.

CDC would welcome further refinement of Appendix/Annex A to ensure the agricultural fee schedule is genuinely simpler, transparent and consistently applied, while maintaining fairness for rural enterprises and reflecting the actual level of assessment required.

Q6. Do you support the proposal that PiP applications should attract a flat fee for 2 bands?

- *PiP applications for developments of up to 9 dwellings*
- *PiP applications for developments of 10 to 49 dwellings*

Response:

No – CDC does not support moving to a two-band flat fee for Permission in Principle (PiP) applications as currently proposed. While the Council recognises the consultation’s broader aim of simplifying fee categories and introducing new fees (including for PiP), simplification should not come at the expense of a fee structure that reasonably reflects the work required to assess proposals.

In CDC's experience, PiP submissions are often high-level but still require the authority to undertake meaningful assessment of key constraints and "in-principle" considerations (for example, heritage and landscape impacts, sustainability considerations, access and drainage capacity), particularly in a district with significant environmental and heritage sensitivities. The Council also finds that a low proportion of PiP applications progress to a subsequent full/technical consent, which can result in duplicated effort when schemes do come forward, and limited planning benefit when they do not.

A two-band flat fee risks under-recovering costs for larger and more complex PiP proposals (including constrained sites), and risks creating unreasonable incentives for applicants to pursue PiP as a lower-cost route even where it offers little practical value.

Q7. Do you agree with the proposed fee level for PiP applications for:

a) developments of up to 9 dwellings - £825?

b) developments of 10 to 49 dwellings - £3,150?

Response:

No - CDC does not agree that the proposed national default fees for Permission in Principle (PiP) applications are appropriate. While the scope of PiP is more limited than a full planning application, the Council must still undertake sufficient assessment to determine whether development is acceptable in principle, including consideration of key site constraints. In a constrained district, this can require a level of officer input that is not materially different from other application routes, and medium-scale PiP proposals can generate significant workload even at an "in-principle" stage, particularly where sites are complex and require meaningful assessment of impacts and deliverability.

CDC is also concerned that the proposed flat fees appear low when compared with the existing statutory PiP fee, which is currently charged on an area-based basis

(£531 per 0.1 hectare or part thereof from 1 April 2026). For many small sites the current area-based fee would exceed £825 (for example, a 0.2ha site would equate to £1,062), and for sites typically associated with 10–49 dwellings the current area-based approach would commonly produce a fee higher than £3,150. This suggests the proposed flat fees may represent a reduction in many cases, creating a risk of systematic under-recovery and sitting uneasily with the consultation's stated aim of aligning fees more closely with cost.

CDC therefore considers that any move to flat fees should not result in fee levels that are below the typical outcomes generated under the current area-based methodology for PiP. Alternatively, Government should retain an area-based approach (or adopt a hybrid model) to better reflect the variability in site characteristics and complexity, and to avoid under-charging for constrained or higher-workload PiP submissions.

Q8. Do you think the three-band fee structure currently used for section 73 applications remains appropriate?

If no, what changes would you propose and why? Please provide evidence to support your view.

Response:

Yes

Q9. Should section 73 and section 73B applications be charged using the same fee structure?

Response:

No - Section 73 and section 73B should not be charged using the same fee structure because they enable different scopes of change and can require materially different levels of assessment.

Section 73 is constrained to variations of conditions and cannot lawfully be used to amend the description of development, whereas section 73B is intended to permit broader variation (including the description), subject to the “not substantially different” test.

As a result, a section 73B proposal may, in practice, look much closer to a reconsideration of the permission as a whole than a targeted condition change, potentially involving wider consultation and re-assessment of key impacts. Charging the two routes identically risks mispricing applications relative to the work required and may create incentives to use the broader route where a narrower one would suffice.

A more proportionate approach would be to retain a distinct (higher) fee framework for s73B.

Q10. Do you think the fee for discharging conditions should be charged per condition rather than per application?

If yes, what do you consider to be an appropriate fee per condition? Please provide evidence to support your view.

Response:

Yes – CDC strongly support charging for the discharge of conditions per condition rather than per application because each condition generally requires a separate assessment (often involving different evidence, consultation, and officer expertise). The current approach allows a single submission to cover multiple conditions under one fee, which can significantly under-recover costs where numerous conditions are bundled into one request.

National guidance is clear that conditions should be used sparingly and proportionately (i.e., tailored to specific issues, not standardised, and used fairly and reasonably). A per-condition fee would support that principle by creating a clearer

relationship between workload and charge, and by discouraging unnecessary conditions.

This aligns with Government evidence that some categories (including discharge of conditions) have been identified by LPAs as underpriced, contributing to resourcing pressures in development management.

The Resourcing in Planning Services: A Benchmark round-up (June 2015) found in 2015 that there was an average cost of processing a discharge of conditions application of £268, reflecting a significant deficit comparable to the fee received. A per condition fee should include a fixed cost per application, covering administration and registration, with a variable per condition fee applied for each condition applied to be discharged. For example, for a householder development there would be a £35 administrative charge, and then £35 per condition applied for after that, applying to discharge 2 conditions would result in a fee of £105.

It is accepted that any fee would need to be clearly evidence, and the 90% cost recovery principle applied.

Q11. Should applications for the approval of biodiversity gain plans be subject to a separate fee to reflect the specific work involved?

If yes, what do you consider to be an appropriate fee level? Please provide evidence to support your view.

Response:

No – CDC generally finds that discharging that BGP condition is no more resource intensive than other technical conditions. There is a monitoring and reporting requirement associated with BGP conditions, however, this should be funded through alternative mechanisms.

Q12. Do you have an alternative suggestion on how the fee structure for discharge of conditions could be improved?

Response:

Yes – as per response to Q10.

Q13. Do you support the proposal to apply a flat fee of £310 for all other existing prior approval applications that are currently free of charge as well as the proposed prior approval under Class B of Part 15 (if brought forward)?

Response:

Yes.

Q14. Do you agree with the proposed fee for CAAD applications of £964? If no, what do you consider to be an appropriate fee? Please provide evidence to support your view.

Response:

Yes.

Q15. Do you support the introduction of a new national default fee for section 106A applications?

If yes, what would represent an appropriate structure and fee(s)? Please provide evidence to support your view.

If you do not support this proposal, please explain why.

Response:

Yes - Section 106A applications require assessment against statutory tests and compliance with prescribed procedural requirements (including notification/publicity), and frequently require legal input. A national default fee would support cost recovery and consistency, aligning with the consultation objective of moving towards fees reflecting the cost of processing applications. Appropriate structure: a banded fee based on the scale/complexity of the original permission (e.g., non-major vs major), with indicative fees of £500 / £1,250 / £2,500.

This approach is justified by published benchmarking of planning application processing costs (productive hourly rate ~£48/hr) and the multi-step nature of S106A applications under the 1992 procedural regime.

Q16. Are there any other existing fee categories not mentioned above that you believe would benefit from restructuring? If yes, please specify which categories and explain how you think they should be improved.

Response:

No.

Q17. Do you agree with our working proposal that the planning fee surcharge should be in the region of 10% of the national default fee (subject to further policy development and consultation)?

Response:

Yes

Q18. Do you have any comments on how local fee setting will operate? In particular, is there any additional information that you would wish to see covered through guidance?

Response:

CDC welcomes the move to a local variation model alongside a continuing national default fee, as this should help fees better reflect genuine local costs while maintaining a consistent baseline across England. To ensure the model operates transparently and fairly in practice, CDC considers that clear national guidance will be essential on the process, evidence requirements and safeguards that sit around locally-set fees.

In particular the following guidance would be considered essential:

- Process and governance – Guidance should set out a clear, standardised process for adopting local variations, including: who can approve variations (and the role of members), recommended consultation/publication steps, notice periods, implementation dates and transitional arrangements.
- Cost evidence - CDC would like guidance to specify a standard cost-recovery methodology (ideally with templates) so that councils evidence fees in a consistent way.
- Interaction with discretionary services and PPAs - Given the consultation's explicit intention to review PPAs and pre-application charging alongside fee reform, CDC would welcome guidance that clarifies the future role of PPAs and other discretionary charges under the new model.
- Ringfencing and reinvestment expectations - CDC considers it important that guidance is explicit about expectations for retention/reinvestment of fee income into the planning application service so that increased or locally varied fees demonstrably deliver service improvements. This is particularly relevant given wider evidence that planning fee income is not always retained within planning services, and the policy intention that improved resourcing should drive better speed and quality of decision-making.

Q19. Do you think local fee variations should be capped? If so, what level would be appropriate - 15%, 25% of the national default fee, or another figure?

- *yes - 15%*
- *yes - 25%*
- *yes - other (please specify)*
- *no*
- *unsure*

Please explain your reasoning

Response:

No – CDC does not consider a cap on local fee variations to be necessary. The proposed local variation model is intended to allow authorities to set fees that reflect evidenced local costs, while remaining constrained by cost-recovery principles and supported by transparency requirements and Secretary of State oversight/intervention powers. In that context, an additional cap risks being an unnecessarily restrictive layer of control, potentially limiting an authority's ability to recover legitimate costs and invest in improving performance, which is the stated purpose of the reforms.

Notwithstanding this, if a cap were implemented, a 25% cap should be imposed to allow greater flexibility.

Q20. In the context of localised planning fees, what are your views on the future role of PPAs, pre-application advice and other discretionary charging regimes? Please provide any suggestions, experiences or evidence to support your view.

Response:

CDC considers that Planning Performance Agreements (PPAs), pre-application advice and other discretionary charging regimes should remain an important and legitimate part of the planning system, even with the introduction of a National Default Fee Schedule and local fee variation powers. The Council agrees that application fees should be the principal mechanism for resourcing the statutory development management service; however, it is critical that PPAs and pre-application services are not restricted or removed in a way that undermines timely delivery and effective scheme evolution.

CDC has major reservations about any approach that seeks to displace PPAs and pre-application engagement on the assumption that higher application fees alone can absorb this workload. In practice, complex proposals frequently require sustained

front-loaded negotiation, issue-resolution and iterative design work (often involving multiple consultees and specialist inputs). PPAs and charged pre-application services are currently one of the principal mechanisms by which LPAs can resource this work proportionately and transparently.

If PPAs or charged pre-application services were materially restricted, the likely effect would be to shift negotiation and issue-resolution into the statutory application period, increasing pressure on already constrained determination timetables. This would risk doing the opposite of the policy intent, potentially slowing determination, increasing the number of "stop-start" validation/consultation cycles, and reducing the scope to resolve issues proactively. CDC does not consider that the proposed fee uplifts (even with local variation) automatically compensate for the loss of bespoke resourcing, particularly for large/complex schemes where the workload is both intensive and time-critical.

Q21. Do you have any views on how the proposals in this consultation might affect you, the group or business you represent, or others – particularly those with protected characteristics? If so, please explain who might be affected and how. Is there anything that could be done to mitigate any impact identified?

Response:

Cotswold District Council does not consider that the proposals are likely to have significant direct adverse impacts on people with protected characteristics. Planning fees are generally a small proportion of overall development costs and the reforms are intended to improve the speed and quality of decision-making by better resourcing planning services.

However, there is a potential for indirect impacts where higher fees affect those with more limited financial resources (for example, some householders or small businesses), including disabled people where adaptations are needed. Existing

safeguards and exemptions (including where no fee is required for certain householder applications that provide access for a disabled person) should be retained and clearly signposted