

Real Estate:UK response to MHCLG's consultation on fees for planning applications

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Real Estate:UK

Real Estate:UK (RE:UK) brings together global and domestic capital, world-leading expertise and forward-thinking policy to drive growth.

With over 500 member organisations spanning investors, developers, advisers and operators, we represent the full breadth and diversity of the commercial real estate market, worth £950bn to the UK economy.

We connect UK and international investors with the insight, networks and opportunities that make the UK one of the world's most dynamic and investable markets.

Working closely with national governments and their agencies, as well as regional and local leaders, we promote the UK real estate sector as a premier destination for capital. Through direct engagement with ministers, policymakers and advisers, we help shape a regulatory environment that unlocks growth and builds investor confidence.

We support thriving communities across the UK through the homes, workplaces, critical infrastructure such as logistics and data centres, and retail and leisure centres our members build, maintain and operate.

We welcome the opportunity to respond to this consultation on planning application fees. A well-functioning planning system is critical to supporting investment, housing delivery, economic growth and the delivery of the infrastructure and commercial development needed across the UK.

RE:UK recognises the importance of ensuring that local planning authorities are appropriately resourced to deliver timely and effective decision-making. However, any changes to planning fees must be accompanied by tangible improvements in service quality, performance, consistency and certainty across the planning system. Our response reflects members' support for a planning system that is efficient, proportionate, transparent and supportive of sustainable growth and investment.

Question 1 Do you support the proposed National Default Fee Schedule, set at 90% of full estimated cost?

RE:UK supports the proposed National Default Fee Schedule in principle. Our members recognise the need to ensure that local planning authorities are appropriately resourced to deliver an effective and timely planning service.

However, this support is conditional on fee increases being clearly linked to improvements in service delivery, resourcing and performance. There is a longstanding concern within the industry that previous fee increases have not consistently translated into better outcomes for applicants.

It is therefore essential that any uplift in fees results in tangible improvements, including faster determination times, greater consistency in decision-making, and improved engagement with applicants throughout the process. Without this, there is a risk that higher fees will increase costs without improving outcomes, which would undermine confidence in the system.

Question 2: 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)?

At this stage, RE:UK does not have detailed evidence to challenge specific fee levels. However, we would emphasise the importance of ensuring that fees accurately reflect the actual resource requirements associated with different application types.

Question 3 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?

RE:UK has no strong objection in principle to the proposed changes. However, given the complexity of these application types and the variation across schemes, it will be important to ensure that the structure remains proportionate, transparent and workable in practice.

Question 4: What further changes, if any, do you think should be made to the structure of fees for outline, full and reserved matters applications?

RE:UK would emphasise the importance of maintaining a clear, proportionate and transparent fee structure.

During member discussions, concerns were raised about the potential for fee structures to become overly complex, particularly where fees seek to reflect varying site characteristics or levels of complexity. While it is important that fees broadly reflect the level of work involved, approaches based on complexity may be difficult to define consistently, could introduce subjectivity, and may lead to inconsistency in how fees are applied across authorities.

Members also noted that complexity is often already addressed through mechanisms such as Planning Performance Agreements. Introducing additional layers of complexity into the statutory fee regime risks duplication and uncertainty.

A simplified and predictable structure is therefore preferable, ensuring that applicants can understand and plan for costs with confidence.

Question 8: Do you think the three-band fee structure currently used for section 73 applications remains appropriate?

Yes

RE:UK supports the continued use of a banded structure for section 73 applications. Our members consider that current fees for these applications have historically been disproportionately low relative to the work involved, particularly on complex schemes where Section 73 can be used to secure significant amendments.

A banded structure is therefore a more proportionate reflection of the resource required to assess these applications.

Question 9: Should section 73 and section 73B applications be charged using the same fee structure?

Yes

RE:UK supports a consistent approach to fee structures for section 73 and 73B applications, reflecting the broadly similar nature of the work involved.

Question 10: Do you think the fee for discharging conditions should be charged per condition rather than per application?

While it is reasonable that fees reflect the level of work involved, members noted that a per-condition approach could introduce additional complexity, particularly where multiple conditions are discharged together as part of a coordinated submission.

There is a risk that this approach could lead to disproportionate costs for applicants, without necessarily improving the efficiency of the process. Any changes should ensure that the system remains proportionate, transparent and straightforward to administer, avoiding unnecessary fragmentation of applications.

Question 11: Should applications for the approval of biodiversity gain plans be subject to a separate fee to reflect the specific work involved?

Unsure

Members questioned the rationale for singling out biodiversity gain plans for separate treatment, noting that there are many complex condition types that require significant work and coordination.

While it is reasonable for fees to reflect workload, any approach should be applied consistently across different types of conditions, rather than focusing on a specific policy area without clear justification. A more holistic approach to discharge of conditions fees may be preferable.

Question 12: Do you have an alternative suggestion on how the fee structure for discharge of conditions could be improved?

RE:UK considers that the focus should be on ensuring that fees are proportionate to the work involved, while maintaining a system that is straightforward for applicants to understand and navigate.

Question 15: Do you support the introduction of a new national default fee for section 106A applications?

Unsure

RE:UK recognises that there may be an increase in section 106A applications as part of a more flexible planning system, particularly as applicants seek to respond to changing circumstances over the lifetime of developments.

However, members raised concerns that applicants already typically cover legal, administrative and officer costs associated with varying planning obligations. Introducing an additional planning fee therefore risks duplicating costs, and could discourage the use of mechanisms intended to support flexibility and delivery.

This proposal should therefore be carefully considered to ensure that it does not create unintended barriers.

Question 17: Do you agree with our working proposal that the planning fee surcharge should be in the region of 10% of the national default fee?

Unsure

RE:UK recognises the need to ensure that statutory consultees are adequately resourced. However, further detail is needed on how any surcharge would operate in practice, how funds would be allocated, and how it would translate into improved performance from consultees.

Question 18: Do you have any comments on how local fee setting will operate?

RE:UK has significant concerns about the introduction of local fee setting.

Members highlighted that allowing local authorities to set their own fees risks creating a highly fragmented and inconsistent system, making it more difficult for applicants to plan, budget and invest across different areas. This lack of consistency could undermine confidence in the planning system and increase transaction costs.

There are also concerns about the administrative burden on authorities in developing, justifying and maintaining local fee schedules. The process itself is likely to require additional resource and could ultimately increase costs for applicants.

More broadly, members expressed concern that local fee setting could be used to increase fees beyond what is necessary to support service delivery, or in some cases to discourage applications.

A consistent national approach is therefore strongly preferred, with any local variation tightly controlled and clearly justified.

Question 19: Do you think local fee variations should be capped?

Yes – 15%

If local fee setting is introduced, it should be subject to a clear cap to limit excessive variation across the country.

A lower cap, such as 15%, would help provide greater certainty and consistency for applicants, while still allowing some flexibility for local authorities.

Question 20: 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?

Members expressed significant concern about the current operation of Planning Performance Agreements (PPAs).

While PPAs can be a useful tool in some cases, particularly where they fund dedicated officer resource or specialist input, there is significant inconsistency in how they are applied across authorities.

Key concerns raised by members include:

- Wide variation in costs, making it difficult for applicants to budget with confidence
- Limited accountability, with no effective mechanisms to ensure delivery against agreed timelines
- A perception in some cases that PPAs are effectively mandatory rather than discretionary
- Increasing use of PPAs for relatively minor applications, raising questions about proportionality
- Limited coverage of statutory consultees, meaning that key delays often remain outside the scope of PPAs

In some instances, members reported that PPAs are being used to support core planning functions, rather than providing additional value.

In the context of higher planning fees and potential local fee setting, there is a clear need to review the role of PPAs. RE:UK considers that clearer guidance is required on their appropriate use, scope, transparency and accountability, to ensure that they deliver genuine value and do not create additional uncertainty or cost.