

***PAS Guidance for cost  
recovery  
for  
host local authorities  
in the  
NSIPs regime***

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# 1. Introduction

Local authorities play an important role in the Nationally Significant Infrastructure Projects (NSIP) regime, bringing local knowledge, technical expertise and community insight to the development of nationally important infrastructure. On 15 May 2026, the Government published regulations enabling host local authorities involved in NSIPs to recover the costs of providing relevant services to project promoters, subject to establishing and publishing a charging schedule. The regulations came into force on 8 June 2026. This guidance is intended to help authorities develop a proportionate, transparent and evidence-based approach to cost recovery.

For the purposes of this guidance, a “host local authority” is a local authority in whose area the land for the proposed development is situated. “Neighbouring local authorities” are authorities whose areas do not include the land for the proposed development, but which may nevertheless be affected by it.

NSIPs are brought forward to meet national infrastructure needs identified through the relevant National Policy Statements. Within that framework, host and neighbouring local authorities play an important role in identifying local impacts, informing project design, shaping mitigation and helping to resolve issues early. Effective local authority engagement can support better-quality applications and a more efficient Development Consent Order process.

This guidance is therefore intended to support a constructive and proportionate approach to engagement, where local authority input is focused on informing and improving schemes and supporting their progression through the Development Consent Order (DCO) process.

Effective cost recovery helps ensure that host local authorities can resource their involvement appropriately, without placing undue pressure on the wider public purse. It can also benefit applicants by supporting timely, well-informed engagement and helping to identify and address issues early in the process.

## **Funding the NSIP Role of Host Local Authorities**

Since the Planning Act 2008 introduced the DCO process, local authority involvement in NSIPs has expanded. However, no consistent funding mechanism has existed to support this growing area of work. Many host local authorities rely on redirecting internal resources or entering into voluntary Planning Performance Agreements (PPAs) with project promoters to recover their costs. This means varied approaches and performance in terms of cost recovery and services across the sector.

Recent Local Government Association (LGA)/Planning Advisory Service (PAS) research highlights the extent of this variation (See Box 1). While many authorities recover a substantial proportion of their costs, others recover significantly less, particularly at pre-application and examination stages. Negotiating PPAs can also

take several months, which delays early engagement and creates uncertainty for both authorities and promoters.

The new cost recovery arrangements will be implemented over time as host local authorities develop and publish charging schedules. This guidance is intended to support both current practice and this transition.

### **About this guide**

This guidance has been produced by Planning Advisory Service (PAS) is intended to support host local authorities in developing a clear, proportionate and robust approach to cost recovery in the NSIP regime. It is likely to be particularly helpful for authorities with limited experience of the DCO process; but may also assist those with established arrangements by providing a structured framework that can be adapted to local circumstances.

Authorities should publish details of their charging approach in a clear and accessible format. This guidance, however, is not intended to be prescriptive; authorities should apply it flexibly, taking account of local governance, organisational arrangements and the nature of the project concerned.

There is merit in host local authorities following a broadly consistent approach in the interests of transparency, consistency and confidence for all parties. However, this guidance is not intended to be prescriptive. Host local authorities should apply it flexibly and adapt it to their local circumstances, and to the varying services required for different NSIPs.

The guide provides a practical framework for cost recovery, based on defining reasonable costs, establishing a clear commercial relationship and formalising arrangements through effective PPAs. The guidance draws on experience from across the sector and is designed to offer a clear model that host local authorities can adapt to local circumstances.

Overall, the aim is to support transparent, consistent and proportionate cost-recovery arrangements that enable early and effective engagement by host local authorities, builds confidence with applicants and support positive outcomes for communities and government alike.

### **Box 1: NSIP cost recovery – survey findings (2025)**

Between August and September 2025, the LGA surveyed Heads of Planning (or their equivalent) at all English local planning authorities (LPA). While the primary focus of the survey was on the local experience of planning application fees, the survey also included a specific section on NSIPs. This asked authorities about their experience of working on NSIPs, as a host or a neighbouring authority, and the extent to which they were able to recover associated costs on these schemes.

The table below summarises key findings, with percentage figures based on the total responses (excluding ‘don’t know’). These illustrate both the scale of local authority involvement in NSIPs and the variability in cost recovery across the sector.

<b>Main finding</b>	<b>Figure</b>
Proportion of LPAs with experience of working on NSIPs since the 2020/21 financial year	37%
Proportion of LPAs entering into a PPA for work on NSIPs normally able to recover half or more of their costs incurred	64%
Proportion of LPAs entering into a PPA for work on NSIPs normally able to recover less than half of their costs incurred	36%
Estimated proportion of NSIP costs incurred by the local authority sector that were recovered	64%
Proportion of NSIPs that took more than 3 months to negotiate a PPA between the local authority and project promoter	62%

## 2. Principles for successful cost recovery

Local authorities play a vital role in the NSIP regime. Effective, proportionate involvement from host and neighbouring local authorities helps to ensure that schemes are well designed, deliverable and progress efficiently, whilst creating lasting benefits for local places and communities.

The following principles are intended to support a transparent, proportionate and consistent approach to cost recovery. They are also intended to help authorities and applicants establish a shared understanding of how local authority input will be resourced and delivered.

### **Principle 1: Cost recovery should support constructive engagement in line with national infrastructure priorities.**

NSIPs are brought forward to meet national infrastructure needs identified through the relevant National Policy Statements. Host local authorities should approach their role with an understanding of this context, while providing robust, evidence-based input on local impacts, mitigation and delivery. Cost recovery arrangements should support this constructive and proportionate engagement.

### **Principle 2: Cost recovery should enable host local authorities to make a full and meaningful contribution.**

Host local authorities bring direct place-based planning, environmental, technical and community perspectives to NSIPs, strengthening the quality of applications and delivering better schemes. Cost recovery should ensure they have the capacity to engage constructively at each stage of the process.

### **Principle 3: Cost recovery should support the practical development and delivery of NSIP schemes.**

Charging arrangements with project promoters should support constructive engagement to resolve issues early, rather than simply ensuring procedural compliance. Host local authorities should have the right resources available to enable them to assess impacts, respond to emerging issues and support schemes through the DCO process and into delivery. This may include setting clear expectations for how services will be delivered, such as response times, points of contact and other service standards, to provide certainty and confidence for all parties.

### **Principle 4: Cost recovery should reflect the expertise provided by host local authorities.**

NSIPs require input from a wide range of specialists in host local authorities including planners, heritage advisors, highway and transport engineers, environmental health officers, ecologists, flood risk specialists and local economic development teams as well as project managers. The approach taken to cost recovery should recognise the cost of the professional time and expertise across these disciplines. Due to the wide range of potential inputs, and the potential for more than one local authority to be involved, care should be taken to ensure that each input is proportionate and not a duplication of work already underway/completed.

**Principle 5: Cost recovery should help secure benefits for local communities.**

Host local authority involvement – properly resourced through cost recovery - helps to identify and maximise opportunities for employment, skills and environmental improvements as well as enrich community engagement. Host local authorities should ensure these are effectively considered and help represent local interests.

**Principle 6: Cost recovery should enable early, open collaboration to build trust in the NSIP regime.**

When host local authorities and promoters work together from the outset, projects progress more smoothly, key issues and differences are better identified and mitigations or alternatives explored. This all helps build public confidence in the scheme itself and the process of its development. Establishing clear service expectations, including where appropriate the use of key performance indicators, can help build trust between authorities and applicants and support a more effective working relationship. For cross-boundary NSIPs, this may include coordinated approaches between authorities, such as shared workstreams, joint evidence or clear lead authority arrangements.

**Principle 7: Cost recovery should reflect the full scope of host local authority involvement.**

Host local authorities contribute from the promoter's first approach, through pre-application and examination and into post-consent activities such as monitoring, enforcement and the discharge of requirements. Cost recovery arrangements should cover this full scope of work, ensuring that authorities have the appropriate skills, resources and capacity to engage effectively at every stage of the process, while supporting the sustainable use of the public purse.

### 3. Key building blocks

Given the long-term nature of NSIPs, cost recovery arrangements should support constructive and enduring working relationships between host authorities and applicants.

Successful cost recovery requires a clear and consistent framework that defines:

- what costs are recoverable.
- how these costs are managed; and
- how they are agreed and documented.

Drawing on experience of local authorities involved in NSIPs, three inter-related “building blocks” have been defined to support this approach:

- **Reasonable costs** - defining what is reasonable to recover and how it is evidenced.
- **Commercial relationship** - setting out baseline costs, payment schedules, and change management processes.
- **Agreement structure** - establishing a clear and consistent format for a Planning Performance Agreement (PPA) and related agreements.

Together these three building blocks provide a transparent and replicable basis for cost recovery for host local authority involvement in NSIPs.

#### 3.1 Reasonable costs

In defining reasonable costs, and in line with the Planning Act 2008 and associated regulations, cost recovery is limited to the reasonable costs of providing relevant services, meaning advice, information or other assistance provided in relation to the NSIP.

In defining reasonable costs, host local authorities should focus on the activities needed to assess impacts, inform project development and support the delivery of the scheme in line with national policy. This should include the work necessary to provide robust, evidence-based input on mitigation, implementation and local effects.

Host local authorities should set out reasonable and proportionate costs clearly and transparently, identifying the work required, the skills involved and the basis on which costs have been calculated.

In some cases, particularly in relation to legal advice or specialist technical input, the scope and extent of work may require careful discussion between the host local authority and the applicant. Clear explanation of the purpose and value of this input can help ensure that it is understood, proportionate and aligned with the effective progression of the scheme.

When scoping reasonable costs, host local authorities should understand the project promoter’s proposed programme and consider three main categories:

- Core (project team) costs
- Consultant or other external costs
- Costs of legal advice

The Cost Calculation Tool (Box 3.1) provides a structured method for bringing these elements together into a clear and evidenced total cost.

### **Core (project team) costs**

Core costs include the time and related costs for the host council's officers directly involved in supporting the NSIP process. This typically includes planning officer input as well as other in-house expertise such as highways and transport, environmental health, flooding and drainage, Geographical Information System (GIS) analysis, natural environment, design, project or programme management and administrative support. Individual NSIP schemes may also require additional professional input – for example education, landscape and visual assessment, or heritage and archaeological expertise. The principle of proportionality and reasonableness should always be considered when assessing the services relevant to each NSIP.

Once host local authorities have defined their project team, a robust hourly rate for each role can be calculated using the Cost Calculation Tool (see Box 3.1). This brings together salary, other costs of employment (on costs), service expenditure and corporate overheads and divides these by realistic productive hours to generate a transparent and defensible hourly rate.

Work such as senior officer briefings, committee reporting, additional committee meetings and site visits linked to NSIP work can also be included under this heading. The principle of proportionality and reasonableness should always be considered when scheduling meetings and briefings.

### **Consultant or other external costs**

Host local authorities will not always have the in-house skills, specialist expertise or capacity needed to support an NSIP alongside day-to-day work. In some cases, therefore, external expertise will also need to be commissioned to provide specialist or additional input dependent on the type of scheme. For example, that may include:

- grid engineering expertise for a transmission line or interconnector scheme.
- glint and glare studies for a solar farm.
- specific ecological expertise for a designated habitat or species.
- landscape and visual assessment; or
- other technical or environmental specialists required for a robust assessment by the host local authority

These are costs that should be identified and factored into a PPA through the Cost Calculation Tool, drawing on experience or market testing to establish likely costs.

### **Legal advice**

Legal advice will be required at various stages of the DCO process. Given the specialist nature of the Planning Act 2008 and that in-house experience in many councils will be limited, both internal legal team time and external legal

representation are costs that should be factored in. For example, legal support may be required where:

- the draft DCO includes complex Requirements, powers or Protective Provisions.
- novel legal, environmental or procedural issues arise (for example, related to habitats, compulsory acquisition, or environmental assessment).
- the applicant raises legal arguments or proposes drafting that requires specialist scrutiny; or
- the host local authority wishes to ensure that Statements of Common Ground, Local Impact Reports or other examination documents it produces are robust and defensible.

Specialist legal advice can streamline the examination, improve drafting accuracy within the DCO and Requirements and help resolve issues early, contributing to a more efficient and cost-effective process overall.

### **Demonstrating fairness and value**

It is not uncommon for applicants to seek reassurance that certain categories of work are necessary and within the host local authority's role. This can include specialist legal advice, early technical input at the scoping stage of an Environmental Impact Assessment (EIA), or practical activities such as supporting community engagement or cross-authority coordination, which may be perceived as duplicating other inputs if the host local authority's role is not clearly defined. Clear definition of roles and responsibilities is therefore important, both to avoid duplication of effort and to promote the effective sharing of evidence and work across authorities where appropriate.

While work clearly linked to design, impact assessment or examination of a NSIP can be regarded as a recoverable cost, any contested areas should be identified clearly, justified transparently and discussed openly during negotiations. The Cost Calculation Tool (Box 3.1) provides a transparent method for evidencing these costs and how they are derived.

Once the project team and associated costs have been identified, this forms the basis for agreeing baseline costs, payment schedules and review points within the commercial arrangements described in Section 3.2.

### **Box 3.1: Cost Calculation Tool**

A Cost Calculation Tool has been developed in Microsoft Excel to provide a consistent and evidence-based method for calculating the full cost of host local authority involvement in NSIPs.

The tool follows a structured sequence:

- 1. Establish service costs:** the core costs of running the planning service, including employment costs, service-level expenditure and corporate overheads. This ensures that both direct and indirect costs are captured.
- 2. Identify the core NSIP project team:** council officers and disciplines likely to be involved in the NSIP (e.g. planners, highways, environmental health, ecology and project management support, etc).
- 3. Calculate hourly rates:** the tool combines salary, on-costs and overheads and divides these by the realistic number of productive hours per year to generate a transparent hourly rate.
- 4. Estimate activity time:** the likely time commitment for each member of the project team across the relevant stages of the NSIP process.
- 5. Add consultant costs:** any specialist technical input that will need to be commissioned externally and include indicative budgets.
- 6. Add legal costs:** internal and, where necessary, external legal advice to support review of draft DCO provisions, examination work and post-consent activity.

By following these steps, authorities can derive a clear and evidenced cost for their NSIP work, based on demonstrable expenditure rather than negotiation alone. The tool can also be used to monitor expenditure and income over the life of a project and to inform annual reviews of rates and assumptions.

Detailed instructions are provided within the spreadsheet. **See Annex 1.**

## 3.2 Commercial relationship

A successful approach to cost recovery depends on establishing a professional and transparent commercial relationship between the host local authority and the project promoter. Early clarity on scope and costs can also support applicants in managing internal budgeting, forecasting and governance processes. This relationship should be based on clarity, fairness and a shared understanding of how and when payments, reporting and review will operate throughout the NSIP process.

To develop this type of relationship, host local authorities can focus on four main features:

- Baseline costs
- Payment schedules
- Managing change, and
- Reporting and accountability

### Baseline costs

The baseline is the starting point from which individual agreements for specific schemes can be agreed. It can be calculated using fixed fees, hourly rates or a hybrid of the two but the Cost Calculation Tool (see Box 3.1) provides a transparent method to establish this.

Whatever method is adopted, it should:

- be based on realistic and proportionate estimates of staff time and required specialist input.
- allow flexibility to accommodate variations in scale and complexity of the scheme; and
- be transparent so that both parties understand how figures have been derived, including how hourly rates link to officer grades, overheads and other standard charging mechanisms.

Experience across different NSIPs and types of infrastructure shows that the costs of host local authority inputs can vary significantly. In some cases, total costs from the initial approach by an applicant to decision have been in the order of £500,000, while more complex or multi-authority schemes have exceeded £1.5 million. Post-consent work, including the Discharge of Requirements, monitoring and enforcement can also generate costs of a similar scale. These figures are illustrative and not a benchmark - actual costs will vary from project to project, the number of authorities involved, and extent of external and specialist input required.

### Payment schedules

Payment arrangements from the applicant to the host local authority need to be clear, predictable and aligned to the applicant's programme of work. Many authorities require an initial payment (for example 25 – 30% of estimated costs) to ensure staff can be in place early in the process. This is usually followed by a schedule of staged payments linked to milestones, time periods (e.g. quarterly invoicing) or a combination of the two.

An initial payment is particularly important where a multidisciplinary project team needs to be assembled quickly, or external support commissioned at short notice. It helps create certainty for the project and protects the wider planning service from unfunded exposure.

The payment schedule should:

- specify how and when payments are due.
- set out how they will be adjusted if timescales or the scope changes; and
- detail any invoicing or reporting requirements.

### **Managing change**

NSIP schemes are complex and the scope and timetables may change and evolve. Agreements should therefore include clauses for reviewing costs and outputs when change occurs. Either party should be able to propose a variation, supported by evidence of additional work or revised timescales.

Regular project meetings, typically monthly, between the promoter and authority provide an opportunity to identify changes early and adjust agreements.

### **Reporting and accountability**

Host local authorities receiving payments should maintain proportionate records of time and expenditure to demonstrate that work undertaken aligns with the agreement. For most NSIPs, quarterly summaries or progress reports are appropriate and should reflect the scale and complexity of the scheme.

Reports may include:

- headline time and cost information.
- key tasks completed and outputs delivered; and
- forecasts for the next period informed by the applicant's programme of work and the PPA.

This transparency helps applicants understand how their investment is being used and builds confidence in the authority's role.

### **Box 3.2: Time-recording and reporting templates**

A clear approach to time-recording and reporting is essential to maintain a transparent commercial relationship between the host local authority and project promoter. Host authorities should track officer time and activity on an NSIP and report this in a consistent and straightforward way.

Different authorities have developed their own approaches, but the most effective:

- include simple methods for tracking activity, aligned with milestones set out in the PPA.
- distinguish between the disciplines and grades of officers involved; and
- make a clear link between activity, agreed outputs and invoicing

Reporting should take a proportionate approach, reflect the scale and complexity of the work and focus on progress made, tasks completed, milestones delivered and forecast activity.

Examples of practical approaches are provided in **Annex 2** and may be adapted for local use. These include:

- a simple internally focused spreadsheet for recording officer time by team and project stage (Cambridgeshire County Council).
- a summary spreadsheet for recording and reporting officer time by grade and discipline (Hampshire County Council); and
- a template for a quarterly expenditure report (Suffolk County Council).

### 3.3 Agreement structure

Cost recovery arrangements are usually formalised through a Planning Performance Agreement (PPA) between the host local authority and project promoter. Discussions on cost recovery should begin at the earliest appropriate stage of engagement, ideally alongside initial project scoping. A clear and consistent structure helps both parties understand the scope of work, payment arrangements and how performance will be monitored.

The introduction of statutory cost recovery is expected over time to change the nature of discussions around PPAs. While agreements will continue to set out scope, resourcing and ways of working, there may be less emphasis on negotiating the principle of cost recovery itself, and greater focus on agreeing the scope of services, delivery expectations and effective collaboration between parties.

While PAS provides advice on [developing PPAs for local planning applications](#), the role of a host local authority during the DCO process is broader and more varied. PPAs for NSIPs therefore require a structure that reflects this involvement.

PPAs for NSIPs will often need to address two distinct phases:

- a pre-consent PPA covering engagement from initial contact through to the Secretary of State's decision; and
- a post-consent PPA covering Discharge of Requirements, delivery and monitoring

In many cases, different teams represent the project promoter before and after consent, making separate agreements more appropriate and easier to manage.

#### Initial contact through to decision

Pre-consent PPAs should cover the period from the promoter's initial contact through to the decision. Reflecting the building blocks set out in this guidance, they should address three core elements:

- **Core (project team) costs:** the PPA should define the host local authority's core project team and associated resources. It should include estimated staff costs (for example derived using the PAS Cost Calculation Tool (see Box 3.1)), based on realistic timelines and agreed review points. It should also set out the expected outputs from the team such as project coordination, technical advice, consultation responses, examination participation and preparation of submission documents.
- **Consultant / external costs:** the PPA should identify external expertise commissioned by the host local authority, defining scope and indicative budgets. Variation clauses can allow additional expert input to be adjusted where/when necessary. Framework or shared procurement arrangements can offer efficiencies and consistency across local authorities or similar NSIPs.

- **Legal costs:** legal costs should be clearly set out, ideally in a dedicated section. These may include drafting, reviewing and maintaining the PPA itself, reviewing or advising on a draft DCO (including Requirements and Protective Provisions), and advice during the examination, particularly on Statements of Common Ground and other legally sensitive documentation. Indicative costs should be provided and updated as necessary.

### **Post consent PPA**

Once consent is granted, a separate PPA should normally be agreed to cover post-decision activity. At this stage, the host local authority's role develops significantly, shifting from policy and assessment to monitoring, enforcement and the Discharge of Requirements, many of which may need to be revisited as the scheme progresses.

Negotiating a post-consent PPA also enables both parties to agree a more accurate and meaningful arrangement that captures any linked legal agreements, such as those relating to Biodiversity Net Gain, public rights of way or highways work. A standardised template for Discharge of Requirements agreements should be used to support consistency across NSIPs and to ensure that appropriate resources are in place throughout the construction and delivery phases.

The post-consent PPA should therefore cover these tasks as well as more general communication and liaison, briefings for senior officers and councillors, reviewing documents and submissions, preparing responses to the applicant, and coordinating technical advice across teams. These activities often continue over several years and require sustained input from planning, environmental, highways and other specialists.

#### **Box 3.3: Example Planning Performance Agreement templates**

PPAs provide the structure for host local authorities and project promoters to formalise cost recovery arrangements. They should set out the scope of work, the resources required, the payment schedule and how progress will be monitored.

**Annex 3** includes three example PPA templates from host authorities with NSIP experience:

- **Suffolk County Council PPA** – a comprehensive legal-led structure covering roles, governance, costs and variation procedures.
- **Cambridgeshire County Council NSIP PPA** – a concise project-management-focused model with clear milestones and reporting.
- **Greater Cambridge Shared Planning NSIP PPA (Draft)** – a recent example structured around pre-consent and post-consent phases.

These templates are not prescriptive. They provide adaptable starting points that can be tailored to fit local arrangements and the needs of individual projects. When preparing a PPA, councils should ensure that the chosen structure addresses each of the three building blocks in this guidance - Core Project Team Costs, Consultant Costs and Legal Costs, and sets out the activities and resourcing needed at each stage of the NSIP.

Used alongside the Cost Calculation Tool, the templates offer a practical basis for preparing robust and transparent PPAs that support effective cost recovery.

### **3.4 Putting the building blocks into practice**

Taken together, the three building blocks provide a practical framework for cost recovery. Applied consistently, they can will help host local authorities resource their role with confidence, provide transparency to project promoters and support the timely coordinated engagement throughout the NSIP process.

This approach to cost recovery is intended not only to provide a transparent and defensible basis for funding local authority involvement, but also to support the development of constructive and trusted working relationships between host local authorities and applicants.

Given the long-term nature of NSIPs, authorities and applicants will typically work together over several years, including both pre- and post-consent stages. Establishing clear agreements early—supported by effective PPAs—helps to build mutual understanding, manage expectations and enable more efficient and collaborative working throughout the lifecycle of a project.

## 4. Trouble shooting

NSIPs are developed to meet national infrastructure needs established through the National Policy Statements. While challenges and differences of view are a normal part of the process, all parties should aim to work constructively within this framework, focusing on resolving issues, improving scheme design and supporting efficient progression through the DCO process.

Negotiating PPAs and agreeing realistic cost recovery for work on NSIPs can be complex. Challenges will arise and addressing them requires professional judgement, technical understanding and effective relationship management. The 10 common challenges below are drawn from local authority experience. Each is accompanied by practical tips and advice to help secure fair and transparent agreements.

### 1. Building confidence and consistency in cost recovery

Many host local authorities have limited experience of recovering costs for NSIPs, and it can be difficult to demonstrate consistency and value for money across schemes. This may be particularly true for authorities that have not previously hosted an NSIP but expect to do so in the future.

Tips:

- **Use the structured approach** and templates in this guidance to present clear, evidenced costs.
- **Frame discussions around the expertise and value** the host local authority brings, not simply the costs.
- **Emphasise cost recovery is about enabling effective participation**, not simply a financial transaction.
- **Adopt consistent messages and methods** across different NSIP schemes to promote consistency and therefore credibility and trust.

### 2. Unclear or unfamiliar terminology

Applicants may use contractual terms unfamiliar to host local authority financial teams or inconsistent with public-sector practice.

Tips:

- Engage finance colleagues early to review draft PPAs and identify any problematic clauses.
- Propose appropriate alternatives - for example, “initial cost estimate, subject to review” rather than “fee cap.”
- Use plain English and align documents with public sector financial standards.
- Explain any terminology changes to maintain transparency.

### 3. Cross-boundary coordination and overlapping advice

NSIPs often cross local authority boundaries, creating a need for careful coordination to manage differing local priorities, clarify roles and avoid unnecessary duplication.

Tips:

- Address potential differences early through joint discussions between all affected local authorities and the applicant.
- Agree clear timescales for resolving differences quickly, e.g., a meeting within 72 hours to resolve differences.
- Look for opportunities to commission or produce work collaboratively across neighbouring authorities, reducing duplication and costs.
- Keep focused on project timelines and, where full agreement is not possible, document areas of disagreement and progress areas of common ground.

#### **4. Clarifying scope and costs**

Applicants may wish to discuss the scale of host local authority involvement or the costs associated with particular activities. Those discussions should focus on the authority's role in assessing impacts, informing project development and supporting delivery within the established policy framework.

Tips:

- Nominate an experienced/confident lead officer with delegated authority and senior backing to negotiate and make decisions.
- Build trust through regular and professional communication.
- Use examples of past PPAs to demonstrate the value of local authority input.
- Explain project risks associated with under-resourced host local authority engagement, such as delays, unresolved objections, or weaker drafting of DCO.

#### **5. Late or limited engagement**

Early engagement with host and neighbouring local authorities supports more effective involvement; where discussions begin later in scheme development, this can reduce the scope for meaningful input.

Tips:

- Establish a single, clearly signposted point of contact for NSIP enquiries such as a dedicated email address and web page with information.
- Explain how early engagement supports smoother examination and delivery.
- Offer an initial, non-chargeable meeting to open communication and clarify expectations.

#### **6. Clarity on statutory and non-statutory roles**

Certain pre-application consultation requirements remain statutory under the current NSIP regime, including consultation with local authorities under the Planning Act 2008. Those requirements will continue to apply until the proposed legislative changes come into force. Authorities should therefore distinguish between activities that are currently required by statute and wider engagement which, while not always legally mandated, is often important to effective scheme development and examination.

Post-consent duties such as monitoring, enforcement and the discharge of requirements are also statutory. Beyond this, host local authority input often extends further, including technical review, issue resolution, preparation of key documents and participation in examination. [PINS' Advice for Local Authorities](#) recognises the value of proactive local authority engagement throughout the process.

Tips:

- Be clear about which elements of local authority involvement are currently required by statute, and which go beyond the statutory minimum.
- Explain that wider local authority input can still be an important and legitimate part of supporting a well-prepared application and effective examination, even where it is not expressly required by statute.
- Emphasise the value of host local authority expertise in areas such as technical review, environmental assessment, local impact reporting, scheme design and examination participation.
- Refer to current legislation and relevant PINS guidance to support a clear and accurate explanation of the authority's role.
- Keep the wording under review as legislative reform is implemented, including when the expected SI on pre-application consultation takes effect.

## **7. Legal costs and professional representation**

Project promoters may wish to clarify the role of specialist legal input for host local authorities. However, a DCO is a Statutory Instrument and must be drafted and presented as a legal document. While host local authorities are experienced in interpreting and applying such provisions, the drafting of statutes is not a routine function. There is therefore a case for host local authorities to access legal advice to ensure that the drafting of documents, the submission of information and the authority's representations are accurate and robust.

Tips:

- Explain that legal advice supports accurate drafting of representations, Requirements and other documentation, which contribute to efficient examinations.
- Highlight that early legal input reduces risks later in the process, such as the need for post-consent amendments or clarification.
- Include reasonable legal costs within the PPA, ensuring both the authority and promoter are clear on expectations.

## **8. Transparency and non-disclosure agreements (NDAs)**

Some applicants request NDAs as part of a PPA, which restrict transparency and can undermine political or public trust. Public authorities should approach confidentiality provisions with care. In most cases, broad non-disclosure agreements are unlikely to be appropriate, particularly where they relate to publicly funded activity or matters of public interest. Where confidentiality provisions are proposed, they should be limited, specific and consistent with the authority's legal obligations, including under the Freedom of Information Act 2000 and the Environmental Information Regulations 2004.

Tips:

- Avoid NDAs wherever possible, particularly where agreements involve public service funding or delivery.
- Where confidentiality is justified, limit this to specific documents or issues.
- Where an NDA is unavoidable, ensure senior members and managers (e.g., Leader, Portfolio Holder, Chief Executive) are included alongside officers.
- Host local authorities and applicants may still receive requests under the Freedom of Information Act or the Environmental Information Regulations, so confidentiality provisions should recognise the need to consider disclosure on a case-by-case basis.

### **9. Delays in finalising agreements**

Negotiating a full PPA can take time, which risks host local authorities undertaking work without financial protection.

Tips:

- Agree a Letter of Intent with the applicant to cover short-term work while the full PPA is finalised, specifying scope, timescales, and costs.
- Maintain open communication and a shared commitment to finalising the full agreement quickly and in good faith.
- Keep internal colleagues informed of progress so work does not begin without agreed cover.

### **10. Poor internal coordination and governance**

Cost recovery can falter and become drawn out when internal communication is inconsistent or when officers lack clear authority to make decisions.

Tips:

- Agree internal sign-off procedures and delegation of authority before negotiations begin.
- Align finance, legal and other relevant service leads on agreed principles and rates to be negotiated.
- Brief elected members and senior managers early so they understand the purpose and value of cost recovery.
- Keep communication with the applicant consistent, ideally through a single point of contact to avoid mixed messages.

## 5. Applying this guidance and next steps

This approach supports a consistent and constructive role for host local authorities in NSIPs, aligned with national policy objectives while ensuring that local impacts are appropriately understood, managed and mitigated. Given the long-term nature of NSIPs, cost recovery arrangements should support constructive and enduring working relationships between host authorities and applicants.

Host local authorities can use this guidance, together with the Cost Calculation Tool and template documents, to develop a consistent, transparent and defensible approach to NSIP cost recovery. Applying the building blocks set out in Section 3 will help ensure that host local authority involvement is properly resourced, allows the council to recover its costs and is aligned with the expectations of applicants, PINS and Government.

### 5.1 Transition to the new cost recovery arrangements

The introduction of statutory cost recovery for host local authorities represents an important change in how NSIP-related work may be funded. However, implementation will take place over time, as authorities develop and publish charging schedules. Until then, many authorities are likely to continue relying on existing arrangements, including PPAs, where appropriate

Existing agreements should generally continue on their current terms unless the parties agree otherwise. As new charging arrangements are introduced, authorities should be clear and transparent about when they will apply and to which stages or projects they relate.

As host local authorities introduce cost recovery under the new framework, they should be clear and transparent about:

- when new charging arrangements will take effect; and
- which projects or stages of the NSIP process they will apply to.

This clarity will help ensure a smooth transition for both host local authorities and applicants, while supporting a consistent and proportionate approach to cost recovery over time.

### 5.2 What good practice looks like

As noted throughout the guidance, effective cost recovery is about more than balancing the books. It ensures that the host local authority is organised, appropriately resourced, takes a reasonable and proportionate approach and can contribute at every stage of the NSIP process.

In practice this means:

- Discussions on cost recovery should begin at the earliest appropriate stage of engagement, ideally alongside initial project scoping

- Clearly defined roles and resources, using realistic project timelines and the building blocks set out in Section 3.
- A transparent and consistent approach to negotiation, supported by strong internal governance (Section 4).
- Evidence-based costing, using the Cost Calculation Tool to generate robust hourly rates and specialist costs.
- Well-structured PPAs, incorporating review points, payment schedules, and clear expectations for pre- and post-consent stages.
- Proportionate reporting and time-recording, aligned to outputs and milestones.

Host local authorities adopting these practices are better able to engage early, contribute meaningfully and add value throughout the DCO process.

### 5.3 Using this guidance in practice

Host local authorities can use the building blocks and tools in this guidance as a standard method for preparing cost estimates, negotiating PPAs and managing day-to-day engagement with applicants. Templates and examples in the annexes offer a practical starting point and can be adapted to reflect local situations and project complexity.

Host local authorities are encouraged to share learning internally and across neighbouring authorities, especially for cross-boundary NSIPs, to promote consistency and confidence.

### 5.4 Reviewing and maintaining arrangements

Cost recovery arrangements should be reviewed regularly to ensure they remain accurate, reasonable and aligned with the evolving needs of projects. This includes:

- Annual reviews of hourly rates, overheads, and staffing assumptions in the Cost Calculation Tool.
- Review points within PPAs to reflect changes in programme or scope.
- Updating local templates and procedures to reflect experience, organisational change, or national reforms.
- Monitoring actual costs and income to inform future PPAs.

Regular reviews help maintain accuracy, transparency and credibility so the system remains fair for all parties.

**This guide is a live resource, shaped through real world practice. PAS will update it as national policy, legislation and practice evolve, drawing on feedback, case studies and examples from host and other local authorities across the country.**

# Annexes

All annexes can be accessed via the [PAS website](#): [NSIP Cost Recovery Guidance & Toolkit | Local Government Association](#)

## Annex One: cost calculation tool

- MS Excel Spreadsheet with guidance

## Annex Two: template reporting documents

- 2.1 A simple internally focused MS Excel spreadsheet for recording officer time by team and project stage (Cambridgeshire County Council).
- 2.2 A summary spreadsheet in MS Excel for recording and reporting officer time by grade and discipline (Hampshire County Council).
- 2.3 A template document for a quarterly expenditure report in MS Word (Suffolk County Council).

## Annex Three: template PPA(s)

- 3.1 Suffolk County Council PPA – a comprehensive legal-led structure covering roles, governance, costs and variation procedures.
- 3.2 Cambridgeshire County Council NSIP PPA – a concise project-management-focused model with clear milestones and reporting.
- 3.3 Greater Cambridge Shared Planning NSIP PPA (Draft) – a recent example structured around pre-consent and post-consent phases.