



Department for
Communities and
Local Government

Awards of costs: examinations of applications for development consent orders

Guidance

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Department for Communities and Local Government
Eland House
Bressenden Place
London
SW1E 5DU
Telephone: 030 3444 0000

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Part A: Introduction

1. This guidance sets out general principles for awards of costs in relation to the examination of applications for orders granting development consent under the Planning Act 2008¹.
2. The guidance applies to any “interested party” as defined in Section 102 of the Planning Act 2008. This includes any “affected person” as defined in Section 59 of the Act. It also applies to any “additional affected person” and any “additional interested party” as defined in Regulation 2 of The Infrastructure Planning (Compulsory Acquisition) Regulations 2010 and any other person who at the discretion of the Examining Authority takes part in an examination.
3. This guidance is only relevant to examinations of applications for orders granting development consent under the Planning Act 2008. The Secretary of State has produced separate guidance on costs awards for appeals under the Town and Country Planning Act 1990 and other planning-related legislation.
4. This guidance is aimed at ensuring, as far as possible, that:
 - All parties involved in an examination behave in an acceptable way and follow good practice. This can be in terms of timeliness, the preparation of their representations or other written material, or their conduct in any hearing².
 - Statements of common ground are prepared by all involved in a positive and constructive manner.
 - Local authorities use all reasonable efforts and resources to ensure that their Local Impact Reports are prepared in a timely manner and do not leave out any information that should properly be included.
 - The failure of the applicant or any party to both take note of and follow guidance and advice issued by the Department of Communities and Local Government and/or the Inspectorate may result, in an application being made by an aggrieved party, for an award of costs.
 - Costs applications are not routinely made when they have little prospect of success and merely add to the costs of administering the examination process for the Inspectorate, the applicant and all other parties.
 - All involved in the examination process, who feel justified in complaining about the behaviour of others, use this costs guidance effectively, by pursuing substantiated applications for costs in a robust but realistic manner.

¹ Section 95 of the Planning Act 2008 empowers an Examining Authority (which is either a single appointed person or a Panel - see Section 86 Planning Act 2008) to award costs.

² A hearing is defined in Section 95(2) of the Planning Act 2008

5. The remainder of this guidance is set out as follows:

- Part B sets out general principles for the award of costs.
- Part C contains some examples of events and behaviours that may give rise to an award of costs.
- Part D provides some additional guidance that applies where an applicant seeks authorisation for the compulsory acquisition of land.

Part B – General principles and procedures

6. All parties will normally be expected to meet their own costs.
7. It is not therefore anticipated that many applications for development consent under the Planning Act 2008 will result in either an award of costs or application for an award.
8. If an award of costs is made, it constitutes an order which can be enforced in the courts and will state that one party must pay to another party their costs, in full or in part. The costs order will state the broad extent of the expense the party can recover from the party against whom the award is made. It does not settle the amount. Settling the amount of the costs awarded is addressed below.
9. The decision-making process on the merits of an application for development consent and the making of an award of costs by the Examining Authority are entirely separate matters.

What are the conditions for an award to be made?

10. An award of costs does not necessarily follow the outcome of the determination of the consent application, as in litigation in the courts. This is a well-established principle of the costs regime under the Town and Country Planning Act 1990. A party who is successful in persuading the Secretary of State of the merits of their consent application should expect to remain responsible for all of its costs.
11. Costs will normally be awarded where the following conditions are met:
 - the aggrieved party has made a timely application for an award;
 - the party against whom the award is sought has acted unreasonably; and
 - the unreasonable behaviour has caused the party applying for the award of costs to incur unnecessary or wasted expense during the examination – either the whole of the expense because it should not have been necessary for the matter to be examined and/or determined, or part of the expense because of the manner in which the party behaved during the examination.
12. For costs purposes, the examination is treated as starting at the beginning of the Preliminary Meeting held under Section 88 of the Planning Act 2008.
13. Some additional and different considerations apply to compulsory acquisition requests which are dealt with in Part D.

Who can apply for an award of costs and who can have costs awarded against them?

14. All parties (as defined in Part A, paragraph 2) who have taken part in the examination may apply for an award of costs and may have an award of costs made against them.

What is a full award?

15. A full award of costs means an award of the whole of the costs of a party in relation to its involvement in the examination process.

16. It includes all reasonable preparatory work and costs in relation to its involvement, including the costs of making the application for the award of costs.

17. An application for a full award may be allowed in full, refused or allowed in part.

What is a partial award?

18. Some acts or omissions by a party do not justify a full award of costs. For example, where unreasonable conduct results in an unnecessary delay or adjournment, the award of costs should be limited to the expense caused by the delay or adjournment. In relation to a hearing this might be the abortive costs of attending on the day of the adjournment.

Is the expense of making an application for an award of costs recoverable?

19. The expense of making an application for an award of costs is recoverable where the application for an award is allowed. Where the application is for a full award and the application is allowed in part, or an application for a partial award is allowed in part, a proportion of the expense of making the application will be recoverable accordingly.

How should the amount of the costs be settled where an award is made?

20. Where a costs award is made, the party awarded the costs should submit details of their costs to the other party, with a view to reaching agreement on the amount.

21. If they are unable to agree, the party awarded costs can refer the matter to the Costs Officer of the Senior Court Costs Office³ for a detailed assessment of the amount. When an award of costs is made, the party will be sent a guidance note on the separate procedure for detailed assessment by the Court under the Civil Procedure Rules, Part 47.

³ The Senior Courts Costs Office: Clifford's Inn, Fetter Lane, London EC4A 1DQ, (Tel: 020 7947 7124).

What is the meaning of “unreasonable”?

22. The word unreasonable is used in its ordinary meaning as established by the Courts in *Manchester City Council v SSE & Mercury Communications Limited* [1988] JPL 774.⁴ Further explanation of what is likely to be regarded as unreasonable behaviour is set out in Part C.
23. The most common examples concern non-compliance with procedural requirements or failure by a party to substantiate a relevant part of their case.
24. Where a party cannot reasonably be expected to be familiar initially with the examination process in the Planning Act 2008 and associated secondary legislation and guidance, they will be expected to read and take note of them to the degree that it is reasonable to expect a party in their position and with their experience and resources to do so. They will also be expected to take note of any information or guidance communicated to them by the Examining Authority.
25. Where a party has indicated an intention to apply for an award of costs and has clearly set out the basis for the claim, their case will be strengthened if the opposing party is unable to explain why the relevant facts or matters referred to have not led to a change of stance or position.

What counts as unnecessary or wasted expense?

26. An applicant for a costs award will need to demonstrate clearly how any alleged unreasonable behaviour has resulted in unnecessary or wasted expense and decisions will be taken on the balance of probability.
27. The power to award costs enables a party to be awarded the costs necessarily and reasonably incurred in the examination. However, the factual basis of an application may relate to what happened before the consent application was submitted or before the Preliminary Meeting if those facts are claimed to demonstrate unreasonable behaviour. Costs incurred that are unrelated to the examination are not eligible. Costs may include the use of a range of professional expertise to provide detailed technical and/or legal advice, including advice on the form and content of written submissions and also, should an Examining Authority permit it, representation and cross-examination at a hearing.
28. Awards cannot extend to compensation for indirect losses, such as those which may result from the examination being of a particular duration due to the the number of interested parties involved.

⁴ The case of *R (on the application of Hann) v SSETR and Sedgemoor District Council* 2001 EWHC Admin 930 confirmed the principle set down in *R v SSE, ex parte Chichester District Council* 1993 2 PLR 1 DCI and *Blythe Valley Borough Council v SSE* 1988 that “unreasonable” for the purposes of an award of costs means unreasonable in the ordinary sense of the word, not in the “Wednesbury” sense.

29. A decision to award costs will define the broad extent of the award (full or partial), but not the amount of unnecessary or wasted expense payable. No details of actual expenditure are required when making a costs application. However, the kind of expense or time spent on the matter should be identified in broad but clear terms.

What can be done to minimise the risks of an award of costs?

30. Parties can minimise the likelihood of costs being awarded against them, or the extent of any award, by following the good practice below:

- careful and on-going case management;
- constructive co-operation and dialogue between the parties at all stages, irrespective of the opinions of the parties on the merits of a development consent application;
- parties should maintain good records and an audit trail of negotiation, dialogue and information exchanges between them;
- parties should review actively the content of submissions and evidence, responding promptly to changing circumstances, and provide a clear explanation of any revised stance or position, so that nothing comes as a complete surprise throughout the examination;
- parties should be willing to accept the possibility that a view taken in the past can no longer be supported and act accordingly at the earliest opportunity, even at the risk of an application for costs being made where, for example, a particular matter addressed in the consent application or supporting material or submissions or, the submissions and evidence of any party, is withdrawn and no longer pursued.

How do I make an application for an award of costs and when should it be submitted to the Examining Authority?

31. The Examining Authority will notify interested parties when it has completed the examination. An application for an award of costs must be received by the Inspectorate at its main address⁵ within 28 days of the date of the notification. Late applications for an award of costs will only be accepted if the party making the application for an award of costs shows good reason for not having complied with the time limit for submission.

32. If a consent application is withdrawn following the Preliminary Meeting or for any other reason for the examination is curtailed or cancelled, any application for an award of costs should be received by the Inspectorate within 28 days of the date of the notification of the withdrawal of the application for development consent, or of the notification of the curtailment or cancellation in whole or in part of the examination.

⁵ Temple Quay House, 2 The Square Temple Quay, Bristol BS1 6PN

What form should an application for an award of costs take and what is the process following an application?

33. The term “application for costs” has no statutory basis. It reflects a well-established practice in other permitting regimes and is the process by which decisions are made on whether or not to award costs, where sought.
34. A costs application is to be made in writing. The costs application is dealt with by the Examining Authority that examined the application for development consent. The Examining Authority will invite the party or parties against whom costs are claimed to respond within a set timescale. Opportunity will be given for final comment from the costs applicant to be submitted also within a set timescale and all application(s), responses and final comments will be exchanged and taken into account before a decision on the costs application is made by the Examining Authority.

Part C – Examples of possible events and behaviours that may give rise to an award of costs

What can give rise to an award of costs?

1. Behaviour which is alleged to be unreasonable in relation to an examination of a consent application can either be procedural (relating to the examination process) or substantive (relating to substantive issues arising during the examination). More detail on these is set out below.
2. Discussion of and agreement on outstanding issues between parties throughout the examination process is likely to reduce the risk of a confrontational attitude developing. It may also reduce the risk of a successful costs application and minimise the overall cost of the examination process to all concerned.

What are examples of grounds for procedural awards?

3. The following are examples of unreasonable behaviour on procedural grounds which may result in an award of costs:
 - Late submission of any documents or late compliance with any requests made by the Examining Authority.
 - Resistance to or lack of cooperation with any other party in providing information, where that behaviour has the effect of extending the duration of the examination.
 - Introducing fresh or substantial evidence at a late stage, necessitating the preparation and submission by any other party or parties of additional submissions or evidence that would not have been required if the fresh or substantial additional evidence had been submitted on time.
 - Not completing in a timely manner a statement of common ground or not agreeing factual matters, resulting in more time being taken by any party or parties in agreeing a statement of common ground or the content of any other document whether or not this gives rise to any prolonging of the examination.
 - Withdrawal of any submission or evidence, resulting in wasted preparatory work and/or the attendance at a hearing of a witness or representative who proves not to have been required.
 - Failing to attend or be represented at a hearing, resulting in wasted or unnecessary expense being incurred by other parties.
 - Failing to attend an accompanied site visit arranged by the Examining Authority or the Inspectorate on its behalf, so that the expense of other parties of attending is wasted.

- Withdrawing the development consent application after the Preliminary Meeting or by action or omission the examination is curtailed or cancelled in whole or in part. If an application is withdrawn without any material change in circumstances concerning relevant issues arising out the application, an award of costs is likely to be made against the applicant if there are no exceptional circumstances and the claiming party can show that they have incurred quantifiable wasted expense as a result. However if the application is withdrawn as a clear result of consultation and discussions between the applicant and any interested party and the reason for the withdrawal relates to any of the key issues identified by the Examining Authority prior to the Preliminary Meeting, an award is unlikely to be made in favour of any interested party.

What are examples of grounds for substantive awards?

4. The following are examples of unreasonable behaviour which may result in a substantive award of costs:

- An application for development consent is for a proposal that is clearly contrary to or flies in the face of a relevant designated national policy statement and no, or very limited, other relevant and important issues are advanced with inadequate supporting evidence.
- Acting contrary to, or not following, well-established relevant case law.
- Objections to an application are pursued which do not give due weight to relevant designated national policy statements or other relevant policy without evidence to substantiate and support with objective analysis the views held. Evidence put forward on matters of judgement concerning the character and appearance of a local area or the living conditions of adjoining occupiers of property are unlikely to lead to an award of costs if realistic and specific evidence is provided about the consequences of the proposed development.
- A local authority requiring an applicant for consent to enter into or complete a development consent obligation that does not accord with the tests for planning obligations in the National Planning Policy Framework (see paragraph 204 of the Framework).
- An applicant for consent refusing to enter into or provide a development consent obligation or to provide an obligation in appropriate terms, where the Examining Authority considers that such an obligation is necessary to make the proposed development acceptable, as referred to in paragraph 204 of the National Planning Policy Framework.

Part D – Costs in respect of an examination that deals with compulsory acquisition of land

How are costs dealt with in applications involving compulsory acquisition?

1. Special considerations apply where an applicant seeks development consent order provisions authorising the compulsory acquisition of land. In this Part of this guidance this is referred to as a “compulsory acquisition request” and those whose interests are sought to be acquired are referred to as “objectors”.
2. Where the objections to a compulsory acquisition request have neither been disregarded by the Examining Authority nor withdrawn before the decision of the Secretary of State on a development consent application and the objectors have been successful in objecting to the compulsory acquisition request, an award of costs will normally be made against the applicant for development consent and in favour of the objectors. An award of costs in such a case does not, of itself, imply unreasonable behaviour by the applicant for development consent.

What conditions would normally have to be met for an award of costs to be made in an application involving compulsory acquisition?

3. The general principles are stated above. To enable an award of costs to be made to a successful objector, they will need to have objected to the compulsory acquisition request and have:
 - maintained their objection at all times before the decision of the Secretary of State on the development consent application;
 - participated in (or have been represented during) the examination by the submission of a relevant and/or written representation; and
 - had their objection sustained by the Secretary of State.
4. For the purposes of this Part of this guidance, an objection will be taken to be sustained if:
 - the Secretary of State refuses development consent; or
 - the Secretary of State makes a development consent order but does not include provisions authorising compulsory acquisition of the whole or part of the objector’s property.

What happens if the applicant decides not to proceed with the compulsory acquisition?

5. Exceptionally, an applicant may decide not to proceed with compulsory acquisition, either entirely or in part. In this case, the applicant would either want a compulsory acquisition request to be treated as withdrawn or ask for land to be excluded from the compulsory acquisition request. Alternatively, the applicant may choose to withdraw their application for development consent. If any of those things occur, provided an objector has objected to the compulsory acquisition request and has:

- participated in (or has been represented during) the examination by the submission of a relevant and/or written representation; and
- maintained their objection until the compulsory acquisition request in respect of their property or the application for development consent was withdrawn

they will be regarded as a successful objector and be treated as if their success was due to their representations.

When should an application for costs be submitted by a successful objector?

6. An application for an award of costs on the ground of having successfully opposed a compulsory acquisition request cannot be made until it is known whether or not an order will be made authorising the compulsory acquisition of the objector's property. Therefore an application should be submitted within 28 days of notification of the Secretary of State's decision on the development consent order or, if applicable, within 28 days of notification of the withdrawal of the application for development consent or the withdrawal of the compulsory acquisition request.

Can an award be made to an unsuccessful objector?

7. In some circumstances an award of costs may be made to an unsuccessful objector because of unreasonable behaviour. These circumstances are dealt with in Parts A and B of this guidance.
8. An award of costs to a successful objector cannot be increased because of the unreasonable behaviour of the applicant; but an award may be reduced if the successful objector has acted unreasonably and caused unnecessary expense during the examination process.

Can compulsory acquisition objectors be partly successful?

9. Where an objector is partly successful in opposing a compulsory acquisition request, the Examining Authority will normally make a partial award of costs. Such cases arise, for example, where the Secretary of State in making an order excludes part of the objector's land from the land subject to compulsory acquisition powers.