

26 July 2022

Return address: Scottish Power
Renewables, 320 St Vincent Street,
Glasgow, G2 5AB

By email only to: scrutiny@parliament.uk

Dear House of Commons Public Bill Committee,

RE: Call for written evidence: Levelling-up and Regeneration Bill

We welcome the opportunity to respond to the above referenced call for written evidence in our role as a leading renewable energy developer with interests throughout the UK and Ireland. In responding, we have sought to follow the House of Commons guidance for the provision of written submissions.

Introduction

ScottishPower Renewables (SPR) is a leading developer of wind and other renewable energy generation, with over 2.8 GW of operational capacity across over 40 sites. We are the renewables business of ScottishPower, a major UK energy company with network, retail and renewable generation interests. ScottishPower is the UK's first 100% green vertically integrated energy utility and always works to deploy the most efficient and cost-effective technologies, thereby delivering clean, green energy at the lowest cost to consumers, whilst minimising environmental impacts. ScottishPower is part of the Iberdrola group, an international utility and the leading wind energy developer worldwide.

In Scotland SPR has 25 operational wind farms and a strong pipeline of development projects, including new and extended wind farm and solar sites, battery energy storage systems (BESS) and an integrated green hydrogen facility that will house the UK's largest electrolyser. This amounts to over £4 billion of investment, including approximately £2.8 billion for onshore wind, which will provide approximately 5.6 GW of renewable energy generation capacity and storage. In January 2022, we announced the conclusion of acquisitions to develop 17 solar projects by 2025, which will add enough clean energy to power over 220,000 homes. Within the offshore wind space, we are expanding rapidly and SPR has now been offered seabed rights for three offshore wind projects (including two deep water floating projects in partnership with Shell) with a total capacity of 7 GW through Crown Estate Scotland's ScotWind leasing round. With the largest combined ScotWind allocation, SPR will play a leading role in developing the next generation of Scotland's offshore wind farms in response to the climate emergency.

Key Observations

We support the intention of the Levelling-up and Regeneration Bill (the Bill) to reduce inequality and close the gap in productivity, health, income and opportunity throughout the UK. A key element of this will be ensuring the UK has a positive legislative framework that supports the net zero transition and unlocks the associated opportunities for new infrastructure, jobs and investment throughout the UK. We have identified the following observations and concerns that should be considered and addressed as part of the House of Commons' scrutiny of the proposed Bill:

- **The Climate Emergency and Net Zero Transition:** the Bill fails to recognise the climate emergency or the importance of net zero in the context of levelling-up and regeneration. The Bill should be amended to set out a supportive, positive legislative framework for developments contributing to climate change mitigation and the net zero transition, and to provide consistency with other national policies and legislation.

- **Environmental Assessment Reforms:** the proposed environmental assessment reforms are not supported by a robust justification or evidence base and have the potential to negatively impact devolved administrations and create uncertainty and delays in decision-making. Further information is required regarding the need for the proposed reforms and how they would lead to a simplified process. Rather than progressing with the reforms proposed in the Bill, we recommend that the focus should be on targeted improvements to the existing environmental assessment regime, with a move towards more proportionate Environmental Impact Assessment.
- **Planning Reforms:** further clarity and definitions are required for key concepts and new policies, notably the proposed national development management policies (NDMPs) and how these align with National Policy Statements (NPSs) and the National Planning Policy Framework (NPPF).
- **Community Consultation:** further clarity is required on the policy context for “street votes” and their role in decision-making.
- **Infrastructure Levy:** further clarity should be provided regarding the scope of the proposed Infrastructure Levy and how percentages will be set by local authorities, to ensure the levy can be accounted for in development budgets. Consideration should also be given as to whether the levy should be applied as standard to all development, or if flexibility should be afforded to essential infrastructure, such as renewable energy developments.

The Climate Emergency and Net Zero Transition

The UK Government has declared a climate emergency and has set legally binding targets to reach net zero by 2050. The Levelling Up White Paper (February 2022) acknowledged this legal framework and the challenges and opportunities that the net zero transition provides. However, the Bill fails to recognise the climate emergency or the importance of the net zero transition in the context of levelling-up and regeneration and the opportunities this presents in relation to new infrastructure, jobs and investment throughout the UK.

Related workstreams have also identified the need for net zero to be prioritised in national policy. For example, in its review of the revised draft National Policy Statement (NPS) for Energy (22 February 2022), the House of Commons Business, Energy and Industrial Strategy (BEIS) Committee, recommended that the revised NPS be further amended to make net zero commitments more explicit and to provide a clear direction to prioritise the importance of climate change in decision-making.

We therefore recommend that the Bill be amended to reflect these points and set out a supportive, positive legislative framework for developments contributing to climate change mitigation and the net zero transition. This reflects the urgency of the climate emergency and will provide consistency with other policies and legislation.

Environmental Assessment Reforms

We are concerned regarding the proposed environmental assessment reforms due to a lack of justification and evidence base to support the proposals, potential negative impacts on devolved administrations, and the potential for uncertainty and delays in decision-making.

The Bill proposes to replace the Environmental Impact Assessment (EIA) and Strategic Environmental Assessment (SEA) regime with a new system of environmental assessment: Environmental Outcomes

Reports (EORs). The Bill allows the Secretary of State (SoS) to make regulations to set “*specified environmental outcomes*” against which consents and plans will be assessed, and to repeal/amend existing environmental assessment legislation.

The EIA and SEA regimes are long-established and internationally recognised forms of environmental assessment, supported with detailed regulations and guidance. Beyond a stated intention of making environmental assessment clearer and simpler, the Bill and the supporting information provide no justification for why these reforms are required nor how they will result in a streamlined assessment process.

The UK devolved administrations utilise the EIA and SEA regimes. The Bill commits the SoS to consult devolved administrations before making EOR Regulations. It is essential that robust, inclusive and transparent consultation is undertaken to ensure any forthcoming EOR Regulations avoid introducing inconsistencies and complications in assessment processes throughout the UK.

Environmental assessment is a crucial element of proposals for renewable energy developments. Given the climate emergency and the need for urgent action to decarbonise the energy system, it is essential that any reforms to environmental assessment avoid introducing uncertainties and delays in decision-making.

We also note that the proposed reforms are focussed on achieving better environmental outcomes. The UK Government has consulted separately on other related environmental reforms, including Habitats Regulations Assessments (HRAs), protected sites and species, and biodiversity net gain. The overlaps and implications of these related reforms with the ambitions of the Bill are unclear.

Rather than progressing with the reforms proposed in the Bill, we recommend that the focus should be on targeted improvements to the existing environmental assessment regime, with a move towards more proportionate EIA. To ensure proportionality, EIA should always focus on considering likely significant effects and evidence to demonstrate policy compliance, with less attention, resources and time required to address to minor issues and potential effects of lower and thus not significant levels in the context of the EIA Regulations.

Planning Reforms

The Bill has proposed reforms that are seeking to ensure that decisions on applications are genuinely plan-led, which we support in principle. In summary, the proposed provisions dictate that any determination to be made under the Planning Acts, regard is to be had to (a) the development plan (i.e. the Local Development Plan and supporting plans and documents) AND (b) any national development management policies (NDMP). Decisions must be made in accordance with both the development plan and NDMPs, unless “*material considerations strongly indicate otherwise*”. In addition, where conflicts exist between the development plan and a NDMP, the NDMP is to be given priority. In the supporting information published 11 May 2022, NDMPs are defined as policies on issues that apply in most areas that will be set out nationally.

This indicates a legal presumption in favour of national policies, which has the potential to create consistency and predictability in decision-making. However, further clarity is required within the Bill defining what would constitute “*material considerations*” that would justify deviations from the development plan and NDMPs. As drafted, the text is ambiguous and open to wide interpretation.

In addition, the NDMP is a new concept and further clarity is required on the scope and purpose of these policies and how they complement and align with other national policies, including National

Policy Statements (NPSs) and the National Planning Policy Framework (NPPF). Unnecessary duplication and policy conflicts should be avoided when preparing NDMPs.

Community Consultation

The Bill has introduced the concept of 'street votes', which will give residents the power to propose new developments on their street and enable neighbourhood residents to take planning powers into their own hands. The wider community can then hold a referendum on whether the project should receive planning permission or not. Applications would be approved if a third of neighbours do not object, and the new development adheres to "*styles favoured locally to make sure that it complements the local area*".

We support community engagement and empowerment. Our impression is that the street votes concept is intended to relate to small-scale developments proposed in residential areas. However, the Bill should provide further clarity regarding when street votes would and would not apply.

In addition, the Bill does not provide any policy context for street votes and does not define the weight they would be given in decision-making. Street votes should be required to comply with relevant local and national policies and any objections submitted via street votes should not outweigh proposals that comply with relevant policies.

Infrastructure Levy

The Infrastructure Levy is proposed to supersede Section 106 of the Town and Country Planning Act 1990 as well as the Community Infrastructure Levy (CIL). The new levy is intended to capture more of the financial value created by large development and is intended to increase certainty in planning and speed up the development management process. The levy will be charged as a percentage of the Gross Development Value and applied above a minimum threshold, with the percentage outlined in charging schedules, to be set by each individual local authority.

The Bill sets out the framework for the new levy and we understand that details will be confirmed through new regulations. As part of this process, it is essential that further clarity is provided regarding the scope of the proposed Infrastructure Levy and how percentages will be set by local authorities, to ensure the levy can be accounted for in development budgets. Consideration should also be given as to whether the levy should be applied as standard to all development, or if flexibility should be afforded to essential infrastructure, such as renewable energy developments.

Yours faithfully,



David Smith

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