

Chief Planner
Scottish Government
2 H South, Victoria Quay
Edinburgh EH6 6QQ

27 February 2017

Dear Sir/Madam

Consultation on Raising Planning Fees

Scottish Renewables is the voice of the renewable energy industry in Scotland, representing over 270 organisations working across the full range of technologies providing clean, sustainable, low-carbon heat, power and transport to Britain's homes and businesses.

Scottish Renewables want to ensure that the structure for charging planning fees is proportionate, fair and ultimately sustainable. We are willing to see an increase in fees but have yet to see any details on how performance improvement will be achieved, until this time we cannot agree with the proposed maximum fee level.

The proposed changes would result in an increase of over 500% in the costs for a planning application for some developments. Before any increase could be deemed acceptable by the renewables industry there would have to be tangible improvements to the planning service.

We would welcome further discussions on what interventions could further improve the efficiency of the process in the next stage of the consultation process.

Should you wish to discuss our response or have any queries, please don't hesitate to get in touch.

Yours sincerely,



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Policy Manager

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Introduction

The recently published draft Energy Strategy outlines the Scottish Government's aspiration to deliver the equivalent of 50% of Scotland's heat, transport and electricity consumption from renewable sources by 2030, along with a clear message of ongoing support for existing renewable energy technologies. While we welcome the level of ambition contained within the draft Energy Strategy, we believe that the proposal contained in this consultation could undermine this target.

Current market

Renewable energy is a key part of Scotland's economy – generating more than half of Scotland's electricity¹ while supporting more than 20,000 jobs². In 2015, renewable generators saw market support mechanisms greatly reduced or cut altogether. These changes have threatened thousands of jobs, billions of pounds' worth of investment and thousands of megawatts of renewables projects in the pipeline – jeopardising progress towards our climate change targets.

Scottish Renewables believes it is critical that the Scottish Government maximises the use of the devolved policy levers it has available such as planning, while continuing to closely engage with the UK Government on market mechanisms, regulation and revenue support. We recognise that it is only reasonable that the costs of processing a planning application should be reflected in the fees paid by applicants. However, with the changes to the economic landscape we feel that increases of 500% for some developments without a clear link to improved service cannot be justified at this stage.

Linking fees to performance

Our response to the Independent Review of Planning in May 2016 set out a willingness to increase fees and ultimately we agree with the conclusions of the review that increased fees could help better service delivery.

We understand that the review into fees is a two stage process and that improvements in performance will be considered at a later stage but we do not consider it to be appropriate to increase fees until the link between fees and performance is strengthened. Further information on measures to dis-incentivise poor performance also needs to be clarified.

We would welcome further discussions on what interventions could further improve the efficiency of the process, for example, ring-fencing planning fees, in return for a fast tracked and efficient service. Another suggestion would be to link payment to the delivery of the different phases of an application (pre-application/scoping, application, consultation, determination, condition discharge etc). Further information on measures to dis-incentivise poor performance also needs to be clarified.

Solar

Cost reductions will, in part, be achieved by the development of larger projects securing economies of scale. Under the existing planning fee calculation for Plant and Machinery, 10-20MW solar farms would have incurred a planning application fee of £20,055. Under the new proposals, a 10MW solar farm on 20 hectares will incur a planning fee of circa £50,000, and a 20MW solar farm on 40 hectares will incur a planning fee of circa £90,000. This is a huge increase in development fees which will introduce a significant increase in risk for the investor/developer. It is also considered that the increase in fee as footprint increases is unlikely to represent the same ratio of additional resource required to assess the application. For example, taking the figures outlined above, doubling the system size will trigger a circa 80% increase in

¹ <https://www.scottishrenewables.com/sectors/renewables-in-numbers/#chart4>

² <https://www.scottishrenewables.com/sectors/renewables-in-numbers/#chart12>

the application fee. It is not considered that for solar farm development in this scenario 80% more resource would be required in assessing the larger application.

Onshore wind

Based on analysis from members, it is likely that for wind farm applications, the maximum fee would be triggered by a wind farm of four or more turbines. Therefore all commercial wind farms, whether new or repowered sites, would incur the maximum fee, which represents a 500% increase in cost for some developments. This significant increase in costs is also at odds with the challenge set out in the Energy Strategy to make Scotland the first area in the UK to host commercial onshore wind development without subsidy. In order to meet this challenge, industry must focus on efficiency and cost reduction. Whilst significant progress has been made in this respect, a 500% increase in planning fees as proposed runs contrary to cost reduction efforts.

Fee structure

Scottish Renewables' response to the 2012 consultation on planning fees highlighted our concern that an area based approach to planning fees for renewables was not in line with the nature or scale of the proposals. At the time we suggested that a cost per MW would be a fairer and more proportionate way of calculating fees for renewable energy projects, and still believe this to be the case. Another option would be to base the fee on the land actually developed rather than the red line site boundary. We understand that a consultation on fee structure will take place at a later date and look forward to the opportunity to engage in this process.