# The Impact of Planning Delays

## Challenges and Opportunities

March 2026

# Executive Summary

Current planning timescales for onshore renewable developments are not conducive to meeting 2030 ambitions, with delays in the consenting process causing:

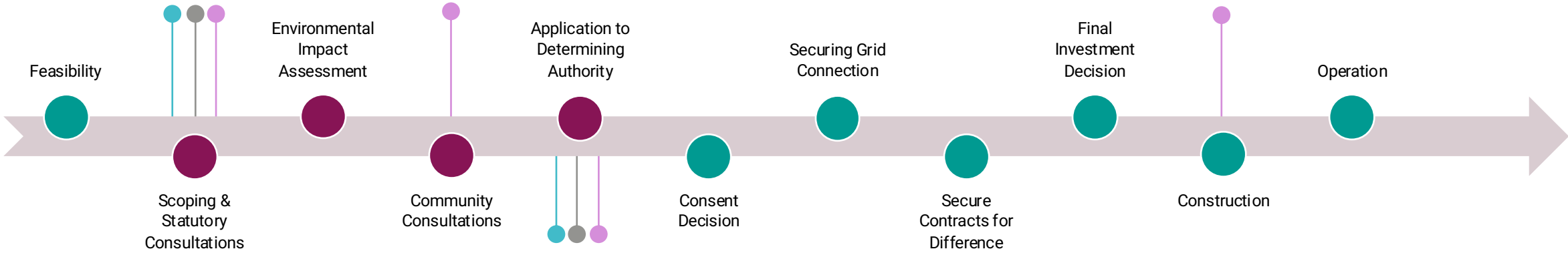
- **sustained reliance on carbon-intensive fuels - with benefits lost from generating electricity earlier and loss of community benefit funds;**
- **higher energy pricing for customers, through increased CfD prices;**
- **an additional 10% of development costs per year of delay;**
  - With 9.2 GW of onshore wind capacity currently within the Scottish planning system, a delay of just one year to each project will cost consumers £36.8 million on additional interest payments alone.
- **anxiety and stress within communities, and erosion of trust between key stakeholders;**
- **heightened opposition to onshore developments; and**
- **loss of investor confidence in Scotland.**

Efficient and effective planning systems are essential to realising the economic opportunity of Scotland's transition to net-zero.

Building capacity and skills in the planning service; collaboration and communication throughout the consenting process; and providing clarity and certainty for developers will help realise this.

BiGGAR Economics is grateful to everyone who contributed to this research, without whose assistance this report could not have been produced.

# The Butterfly Effect: A Scenario Analysis




## Scenario 1: 1 Year Delay

The simplest way to consider the impacts, is to consider a scenario in which a one-year delay in the planning system only adds one year to the developer's time scales.

For a 100 MW project, this one-year delay is estimated to cost consumers an additional **£400,000** in additional interest payments.

## Scenario 2: CfD Impacts

If a developer fails to secure grid connection, they are consequently ineligible for the next CfD applicant window, and higher construction inflation will cost consumers more in the long run.

For a 100 MW project, this impact has the potential to add **£10 million** to consumer bills over its lifetime.

## Scenario 3: Risk to Viability

In extreme cases, delays in the planning process that result in missed grid connection and CfD application windows can result in projects being no longer financially viable, and the loss of the associated economic activity.

The lost economic contribution of a 100 MW project is estimated to be approximately **£200 million** over the project's lifetime.

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# Value of Planning

**Planning plays a key role in the transition to net-zero by shaping markets and encouraging collaboration between developers, communities, and public bodies.**

# The Value of Planning

## Good planning can help markets to work better.

- **Often dismissed as a barrier to economic progress, *good* planning is more than a regulatory process. Good planning can make markets work better.**
- **Shaping markets:**
  - providing clarity and certainty to landowners, developers and communities; and
  - reducing risks and fostering investor confidence.
- **Enabling collective action:**
  - encouraging collaboration between developers, communities and public bodies; and
  - identifying opportunities to enhance benefits.

***"Planning is about improving places by helping them to function better economically as well as socially and environmentally. It is about outcomes, not just processes [and] is not always done by people called 'planners'."***

**Adams and Watkins (2014)**

# The Value of Planning

A thriving renewables sector is critical to achieving sustainable development in Scotland, the defining objective of the planning system.

- **The purpose of Scotland's planning system is to:**

***"…manage the development and use of land in the long-term public interest…*** [defined as] ***… anything that contributes to sustainable development or achieves the national outcomes."***

**Planning (Scotland) Act 2019**

- **A "globally competitive, entrepreneurial, inclusive and sustainable economy" is one of Scotland's 11 national outcomes.**
- **The transition to net-zero is fundamental to sustainable development and has been consistently recognised by the Scottish Government as Scotland's most important economic opportunity.**
- **Renewables are:**
  - at the forefront of Scotland's National Strategy for Economic Transformation (2022)
  - the driving force of the *revolution* envisaged in Scotland's Green Industrial Strategy (2024)

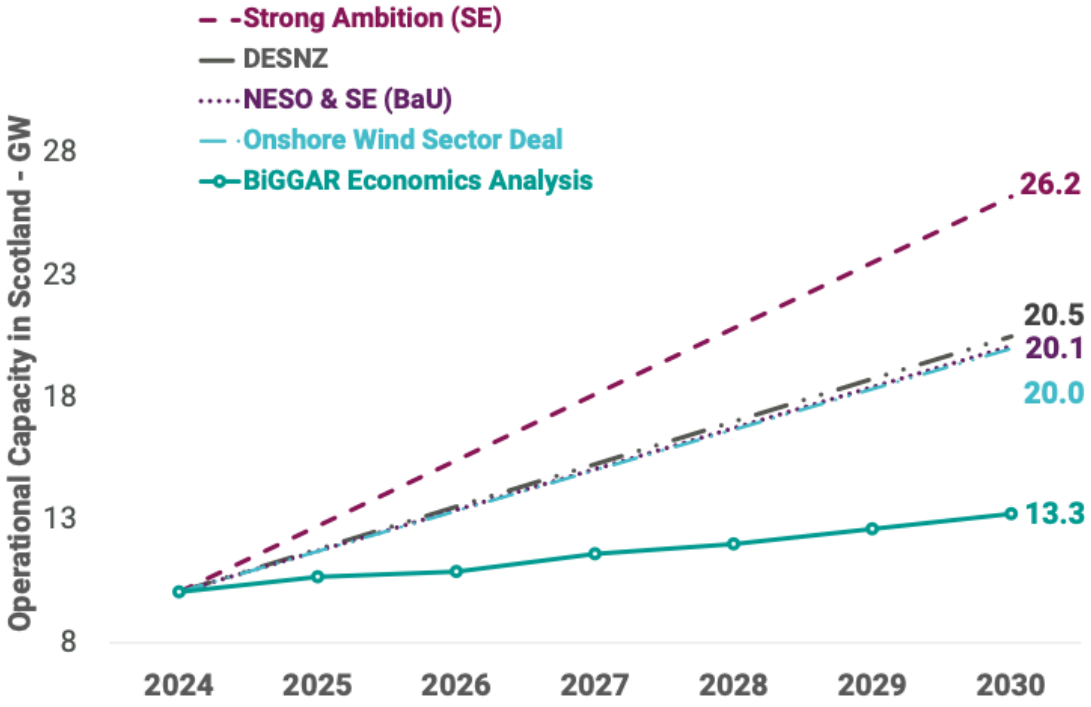
# Onshore Wind Sector in Context

**As a cornerstone of Scotland's net-zero strategy, the planning process can enable the sustainable development of onshore wind.**

# The Onshore Wind Sector in Context

## Based on an analysis of the Energy Pulse database, Scotland could miss out on the onshore wind targets of 20 GW for 2030 by 6.7 GW.

- **However, once accounting for project timescales and progression rates, our analysis expects that by 2030 onshore wind operational capacity will reach:**
  - 13.3 GW in Scotland.
- **This would fall short of the 2030 targets by 6.7 GW for Scotland. Starting from current operational capacity, achieving sectoral targets is likely to require:**
  - accelerated project timescales;
  - increased approval rates; and
  - additional projects in the pipeline.
- **This analysis does not account for potential market changes such as zonal pricing, regulatory reforms or Transmission Network Use of System charges.**



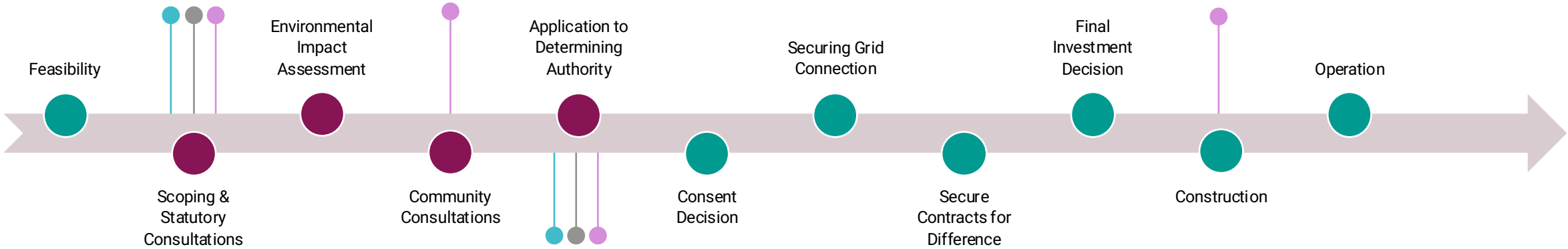

*BiGGAR Economics Analysis of RenewableUK (2025), EnergyPulse Database.*

# Planning Process

**National Energy System Operator (NESO) requires developers to secure both planning and a Gate 2 Grid Application, before being eligible to apply for the next Contracts for Difference (CfD) Allocation Round.**

# The Planning Process for Renewable Energy Consent

Sequence of the planning process for renewable energy development consent is outlined below. Consultation takes place throughout a process that can take over 10 years from feasibility to construction.




**Milestone**

- Project Hurdle Milestone
- Consenting Milestone

**Consultation Inputs**

- Statutory Consultees
- Community
- Planning Authority

# Current Challenges

**Consultations with key stakeholders revealed key challenges within the planning process that have implications for developers, communities, and Scottish Government priorities.**

# Perspective from Planning Authorities

## To meet net-zero targets, ECU internal processes must align with external milestones, including Grid Connection and CfD application windows.

### Rushed Decisions

Under-resourcing and difficulties recruiting planners has led to heightened pressures on those working on renewable developments.

This has led to significant delays in planning application decisions, a 'tick box' culture resulting in rushed decisions, reduced confidence, and the rejection of applications on the grounds of a lack of resources to support approval.

### 'Them and Us' Culture

Whilst developers recognise the heightened pressure on planning authorities; criticisms around a lack of consistency across consenting decisions, limited communication and transparency around decision-making and timescales were highlighted as significant challenges for developers.

The 'them and us' culture created by these factors has led to a lack of collaboration between stakeholders.

### Internal Policy Reform

Current misalignment between the ECU internal process and external timescales, including grid connection and CfD application windows creates a bottleneck for onshore renewable planning applications and significant delays for developers.

ECU internal processes must be reformed to consider external timescales to enable collective action and to meet net-zero ambitions.

# Implications for Scottish Government Ambitions

## Challenges around the planning process for renewable energy developments has significant implications for the Scottish Government's economic growth ambitions.

### The Value of Onshore Wind

- **An onshore wind farm generates significant value for Scottish businesses, the Scottish and UK Government, and local communities.**
  - The businesses who prepare the site, design the project, and manufacture and install turbines all generate economic value and support the provision of high-quality jobs across Scotland.
  - Based on BiGGAR Economics (2024) analysis of an onshore wind farm's Operating Surplus (the income from an onshore wind farm less what it spends on supplies and staff costs), approximately 59% will go to taxes, including corporation tax, business rates and the electricity generator levy, contributing to Government spending.
  - Approximately 10% will be allocated to Community Benefit Funding, creating long-lasting benefits for communities.

### Economic Growth Ambitions

- **The Scottish Governments National Strategy for Economic Transformation (2022) sets out its commitment to building a fairer, greener, and more prosperous Scotland.**
  - Onshore wind and the wider energy provides a unique opportunity for Scotland to generate a signficant level of investment and economic activity, helping to foster long-term sustainable economic growth.

# Developer Perspective

## The current planning system poses significant challenges for developers, with the following key pain points identified through consultation with industry.

### Process Misalignment

The requirement for developers to secure planning and grid before being eligible to apply for the next CfD Allocation Round creates time pressure within the planning process.

Annual application windows for CfD mean that if developers are not able to secure planning and grid connection before this window, they will have to wait up to a year to apply again.

### Statutory Consultees

Extension requests from statutory consultees were highlighted as a common source of delay. Requests for additional surveys and photos, often requiring particular conditions, elongate timescales significantly.

Consultation with industry also revealed that the average local authority consultation response time was 360 days, with Dumfries and Galloway, and the Scottish Borders exceeding 600 days.

### Planning Authority

A lack of communication and transparency during the ECU review period was also highlighted as a key challenge for developers. Developers highlighted inconsistencies between projects, making it particularly difficult to predict timescales and decisions.

These uncertainties mean developers are unable to communicate key delivery dates to investors, local communities, and contractors.

# Financial Costs to Developers

Current planning timeframes are approaching 3 – 3.5 years, instead of the industry standard estimate of 2 years. This is generating significant additional costs for developers.

**Direct Holding Costs**

- Keeping projects alive during periods of delays requires developers to continue expenditure on staff and other resources.

- **Additional Surveys and Technical Inputs**
  - Adhoc costs associated with additional surveys and evidence.
- **Costs in pursuit of Multiple Strategies**
  - Inconsitencies around timescales and decisions require developers to pursure multiple strategies which is resource intensive and costly.
- **Opportunity Cost**
  - The lost profit associated with not generating electricity earlier.
- **Land Agreements**
  - Expiring land agreements can be costly to re-negotiate.
- **Requirement for Re-development of Projects**
  - Delays in the consenting process can result in technology becoming obsolete, requring additional costs and resources to re-develop projects to incorporate the latest technology and industry standards.

**Resulting in an additional 10% of development costs per year of delay.**

# Financial Costs to Developers

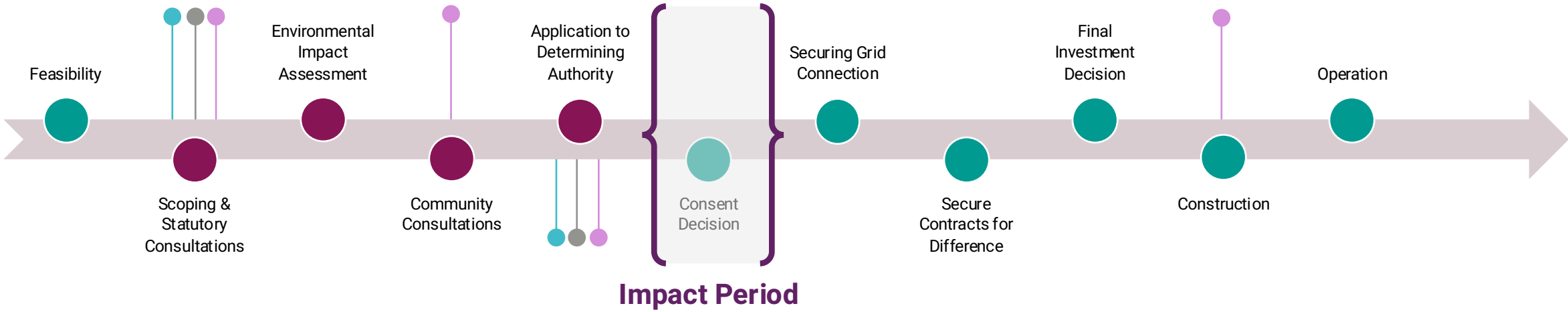
## The cost of delays adds to consumer bills. The most universal cost associated with developers is the cost of holding the debt finance used for development for an extra year.

**Direct Holding Costs**

- The average development cost per MW for onshore wind in Scotland is approximately £40,000.
- A delay of one year would require a developer to hold that debt for one more year and pay the interest on the finance used to pay for the development.
- Typically, the cost of capital (either through loan finance or opportunity cost) is around 10% per year.
- Therefore, the cost per year for every MW of onshore wind which is delayed as a result of planning is £4,000. This will get added to consumer bills as costs are recovered in CfD bids.
- With 9.2 GW of onshore wind capacity currently within the Scottish planning system, a delay of just one year to each project will cost consumers **£36.8 million** on additional interest payments alone.

However, costs can be much greater than this, as explored in the following sceanrios.

# Financial Costs to Developers: Scenario Analysis

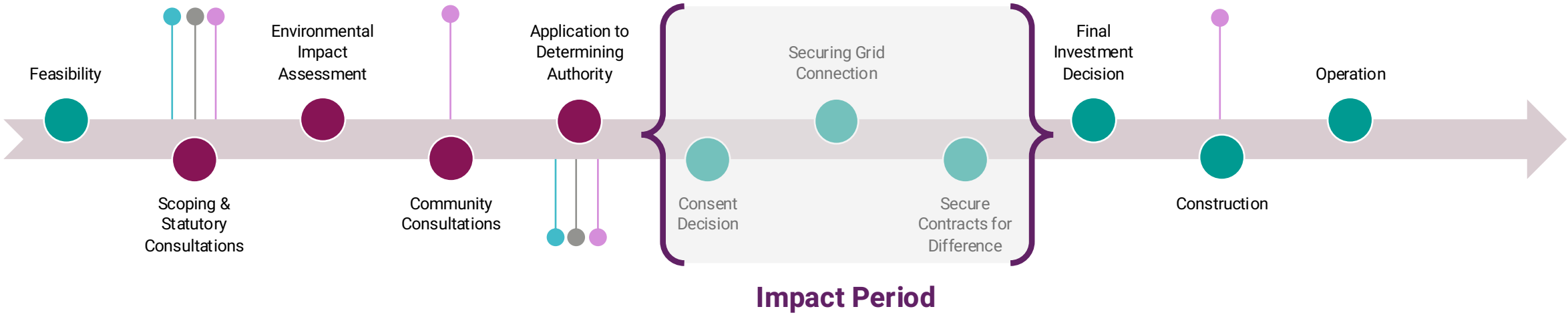



## Scenario 1: 1 Year Delay

The simplest way to consider the impacts, is to consider a scenario in which a one-year delay in the planning system only adds one year to the developer's time scales. This assumes that the developer is still able to secure the grid connection they were planning on and are successful in the next allocation round of Contracts for Difference, which clears at the same price as the previous year.

For a 100 MW project, this one-year delay is estimated to cost consumers an additional **£400,000** in additional interest payments.

# Financial Costs to Developers: Scenario Analysis

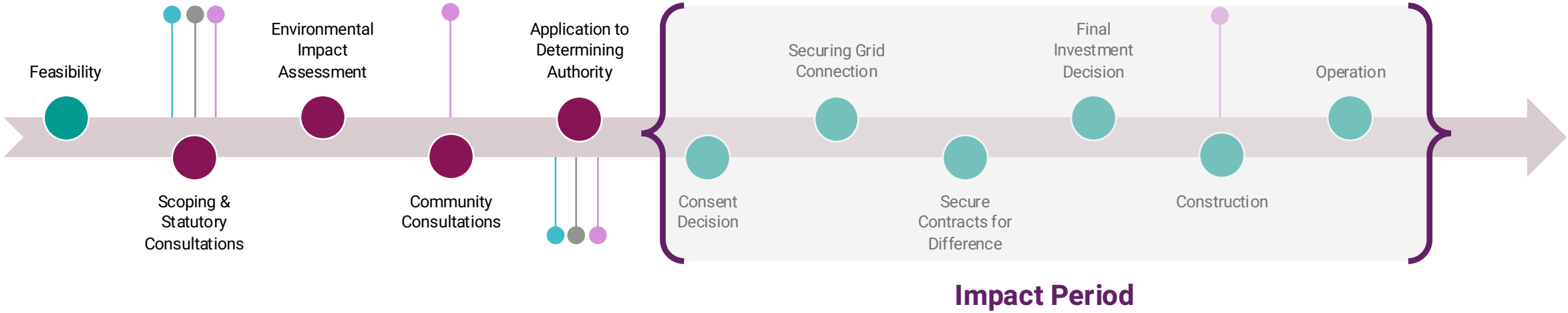



### Scenario 2: 1 Year Delay and CfD Cost implications

However, it is unlikely that the cost implications would be confined to just interest payments. Onshore wind projects need planning permission before they can bid for CfD. The **cost of construction for onshore wind projects has increased** at a faster rate than general inflation in recent years. If an onshore wind farm needs to delay which round it bids for this costs the consumers in the long run. For example, in AR7a in 2026 had a strike price of £72.24/MWh, compared to £70.92/MWh for AR6. Therefore, consumers will pay **£1.32 more per MWh** for any project that had to wait for AR7a

For a 100 MW project, the CfD increase is estimated to cost consumers an additional **£10 million** over the lifetime.

# Financial Costs to Developers: Scenario Analysis




### Scenario 3: Year Delay and Project Viability

Information from recent consultations with industry indicate that at least one project failed to secure CfD by 48 hours, necessitating a 12-month wait for the subsequent application window. There can be no guarantees that projects will be able to secure the grid connection, or the finance, if these are delayed. Planning delays have also caused projects to become unviable as the technology moves on. If a project does not go ahead, all of the economic benefits associated with its construction and operation are lost.

The lost economic contribution of a 100 MW project is estimated to be approximately **£200 million** over the project's lifetime. This includes **£15 million of lost community benefits funding** and **£36 million of lost business rates.**

# Community Perspective

Over 60% of community members were disappointed or very disappointed with the planning service; with 57.6% rating the time taken to respond to queries as poor or very poor*.

### Uncertainty Around Decisions

Without clear timelines, communities feel stressed when there is a lack of clarity around when (or if) a development will be built.

Uncertainty is worsened when adjacent projects are proposed whilst others are yet to be decided.

A key criticism from communities is the lack of communication and transparency around changes and delays in the consenting process, and the reason for these.

### Erosion of Trust

These experiences have created a lack of trust between communities, the planning authority, and developers.

Many communities no longer trust that they will be updated on design changes or the submission of new information in the consenting process.

Prolonged periods of inactivity from planning delays can also undermine once positive relationships between developers and communities.

### Lack of Meaningful Engagement

Communities often feel that community consultation is not true engagement, but merely the provision of information.

During this process, residents become frustrated when they are unable to see how their feedback has been used or understand why it was disregarded. This frustration can lead to heightened opposition towards the renewables industry as a whole.

**Improvement Service (2025), National Planning Improvement Customer and Stakeholder Survey Results.*

# Costs to Communities

Whilst there is generally high national support for renewable energy, uncertainty during the planning process has created heightened opposition to local developments.

### Social Fragmentation

- **Delays within the planning process create an opportunity for opponents of projects to come together and push out the quieter voices within a community.**
  - The divergence of attitudes within communities can create rifts between residents who support renewables and those who don't.

### Consultation Fatigue

- **Given the scale of onshore wind required to meet 2030 targets, communities often feel overwhelmed by the volume of consultations.**
  - This creates fatigue within communities and reduces the likelihood of meaningful engagement between developers and communities.

### Community Benefit Opportunity Cost

- **Similar to the 'opportunity cost' associated with not generating electricity earlier, communites face an opportunity cost of not receiving community benefits earlier**

# Wider Costs to Society

## The costs to developers and communities can jeopardies a project's route to market adding wider costs to society in general.

- **Opportunity Cost**
  - The biggest cost is the 'opportunity cost' of not generating electricity earlier which equates to £millions in generation, loss of community benefit funds, and sustained reliance on carbon-intensive fuels.
- **Higher CfD Pricing for Customers**
  - Risk premiums from sliding timescales and higher financing costs associated with uncertainties can risk a project's viability. Ultimately, a less financially competitive project may progress through the planning system and lead to higher CfD pricing for customers.
- **Heightened Opposition to Renewables**
  - Uncertainty can create challenges for developers in communicating with communities and contractors, which can lead to heightened local opposition.
- **Erosion of Investor Confidence**
  - Delays in the planning system can be perceived by investors as risky, making both individual projects and Scotland as a location less investable.
  - This may lead to activity moving elsewhere, benefitting other countries rather than Scotland.

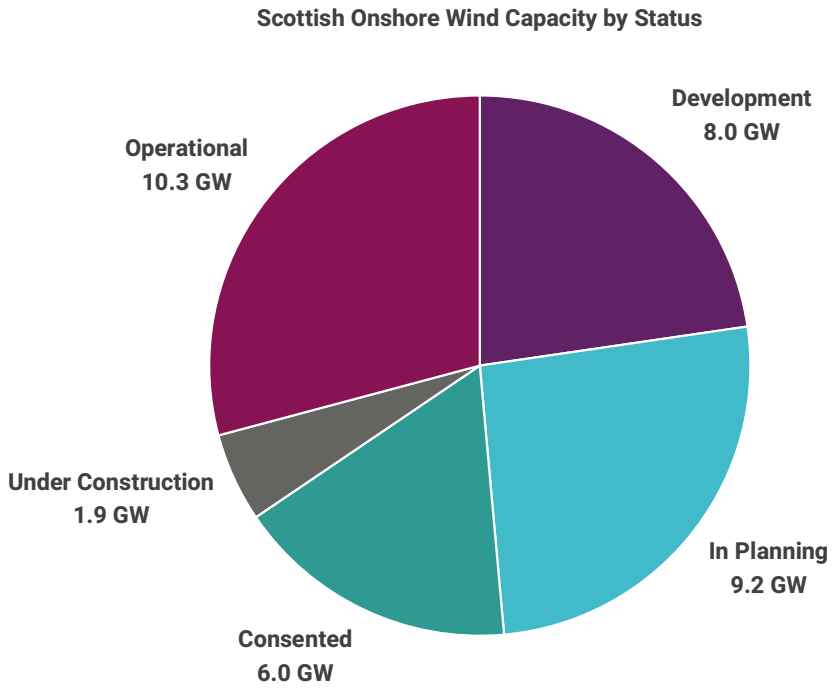
# The Opportunity

***Good*** **planning creates a unique opportunity for Scotland to shape the renewables industry, realise its associated economic activity, and improve societal perceptions.**

# The Opportunity: Economic Activity

## The economic opportunity for Scotland is huge provided projects are consented.

- ***Good* planning can enable a dramatically more stable, predictable, and investable pipeline.**
  - These conditions are crucial for enabling the transition to net-zero and fostering long-term sustainable economic growth across Scotland.
- **With 9.2 GW of onshore wind capacity currently within the Scottish planning system, there is a significant opportunity for Scotland to capitalise on the opportunities associated with the energy transition.**
  - The lifetime economic contribution of the projects currently within planning could equate to **£18.4 billion GVA** (inclusive of community benefit funding and business rates).
  - This economic activity has the potential to be transformational for communities and supply chains across Scotland.




*RenewableUK (2026), EnergyPulse Database.*

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# BiGGAR Economics

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