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By email: Chief.Planner@gov.scot

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Dear John

Draft Advice Implementation Net Economic Benefit and Planning Guidance

Scottish Renewables is the representative body for the renewable energy industry in Scotland. We provide a united voice for around 280 member organisations working across the full range of technologies to deliver a low-carbon energy system integrating renewable electricity, heat and transport.

Our response has been formulated following internal discussion within our membership. While we welcome the development of guidance to assist in assessing and giving due weight to the net economic benefits of proposed developments, we do have some concerns with the detail of the draft guidance which we have set out below.

- In providing a single guidance document for all types of development, some aspects of the consenting regime and characteristics of renewable energy developments are not appropriately addressed.
- The guidance on when a net economic impact assessment is necessary is unclear.
- The guidance does not provide adequate examples of 'deadweight' and 'displacement' effects for renewable energy developments.
- Shared ownership is not the only measure of net economic benefits

We would be happy to discuss or provide clarification on any of the points raised in this letter with you, and look forward to your response

Yours Sincerely,

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Introduction

Scottish Renewables welcomes the development of guidance to assist in assessing and giving due weight to the net economic benefits of proposed developments.

The guidance on when a net economic impact assessment is necessary is unclear. Currently it suggests that net economic benefit will be used as a material consideration only where a planning application is contrary to the development plan. However, this approach does not seem to be consistent with Paragraph 169 of Scottish Planning Policy (SPP) where net economic impact should always be given weight as a development management consideration. It is our understanding that, as per SPP, all proposed developments should outline the economic benefits associated with them and for planning authorities to take these into consideration when determining applications.

The guidance is also written in the context of the Town and Country Planning (Scotland) Act 1997. In addition to the 1997 Act, energy developments may be subject to s36 of the Electricity Act 1989. Under s36, the primacy of the development plan provisions as contained in s25 of the 1997 Act, do not apply. It is important the guidance acknowledges this and is explicit about the role of net economic benefit assessments for s36 projects.

Calculating the net economic impact

We welcome the guidance's introductory statements which make clear planning applications are determined on their individual merit and recognise assessments of additionality will vary according to development specific characteristics.

However, the concepts of 'deadweight' and 'displacement' are critical to an assessment of net economic benefits. Currently, the guidance provides examples of how these may be assessed for proposals such as retail centres, but fails to provide examples for renewable energy developments, for which the factors establishing additionality will differ significantly.

Example 6 'Onshore Renewable Energy' simply provides an example of a shared ownership structure. In contrast to examples 1 – 5, it does not provide an example of 'deadweight' or 'displacement' assessments. The guidance should therefore be amended to introduce examples of how onshore renewable energy developments can assess 'deadweight' and 'displacement' in the context of the sector specific characteristics.

Example 6: Onshore renewable energy

As stated above, example 6 'Onshore Renewable Energy' simply provides an example of a shared ownership structure. It is important to note that shared ownership is not the only measure of net economic benefits, others include:

- Maximising local construction, maintenance and supply contract opportunities; and
- Delivering a mechanism for facilitating long-term community regeneration and / or growth.

The target for all development should be to deliver net economic benefit proportionate to the development being proposed and the mechanisms to achieve that should be left to developers and communities to agree on what is most appropriate.

The final sentence of the example implies that a community ownership offering can only be considered if the scheme is in line with the development plan. This seems to be at odds with the guidance given in paragraph 4 which states that "this advice is likely to be relevant in assessing the impact of applications that are contrary to the development plan".

Conclusion

The development of advice on net economic benefit and planning is welcome. However, revisions as detailed above would be welcome to ensure the guidance is relevant and useful to renewable energy developments.

We would be happy to discuss or provide clarification on any of the points raised in this letter with you, and look forward to your response.