Local Government and Communities Committee

Planning (Scotland) Bill

Submission from Scottish and Southern Electricity Networks

About us

Scottish and Southern Electricity Networks (SSEN), operating in Scotland as Scottish Hydro Electric Power Distribution plc and Scottish Hydro Electric Transmission plc, is responsible for operating and maintaining the electricity transmission and distribution networks supplying over 3.7 million homes and businesses across the north of Scotland, the Scottish isles and central southern England.

SSEN’s business areas employ around 4,000 people in the UK and has invested over £3bn into national infrastructure over the last three years alone. SSEN also has a strong record of helping to facilitate low carbon technology and since 2010 we have connected over 5GW of wind and solar generation capacity to our networks.

As a regulated business, we are an active and responsible participant within the Scottish planning system; delivering much needed, in many cases nationally important, electrical infrastructure under the various obligations contained in our licences for the distribution and transmission of electricity. Our developments support investment in the low carbon economy and provide a robust, reliable and efficient network for the rural communities in which we serve. Over the past six years our transmission business has invested over £1bn in our network in the north of Scotland, facilitated in part by positive planning outcomes at a local and ministerial level.

Executive Summary

We welcome the opportunity to share our views on the principals of the proposed Planning (Scotland) Bill. Generally, SSEN is supportive of the changes proposed within the bill. However, and as outlined throughout our response to the call for views, the detail will be important, and it is in the development, implementation and interpretation of secondary legislation where further engagement with industry and planning professionals will be required to ensure that no unnecessary barriers are created.

A high-level summary of our detailed response is provided below:

- It is important to ensure that what is proposed within the bill supports and aligns with the Scottish Government’s wider policy goals such as the Energy Strategy, Fuel Poverty Strategy and Climate Change Plan. Any subsequent secondary legislation should be fully consulted upon with interested and impacted stakeholders so that potential issues can be fully considered.
• We are supportive of the suggestion to widen the definition of “key agencies” within the bill. SSEN would welcome further information as to what type of organisations would be eligible for this criterion.

• Development priorities can change greatly within a ten-year period; therefore, we welcome the opportunity to introduce review points throughout the NPF and LDP cycles so that any unforeseen, yet necessary investment can be considered for inclusion within the plan between the 10 yearly cycles. SSEN hopes that the planning bill will be future proofed and will help to remove barriers for the DSO transition rather than introduce new hurdles.

• SSEN is supportive in principal of the introduction of Simplified Development Zones (SDZs). However more detail is required as to how this will work in practice including consideration of the wider supporting critical infrastructure that may be required.

• SSEN is supportive of ambitions to increase and enable wider community involvement in the planning system. However, we do not believe that the introduction of Local Place Plans is likely to provide a more effective system for doing this.

• Any increases in planning fees that are introduced need to be proportionate, transparent and standardised by each local authority area and should be used to directly improve levels of service.

• To avoid impacting customers’ bills, we advocate that regulated infrastructure providers should be exempt from the proposed Infrastructure Levy as is currently the case for Section 75 developments.

We hope that the Local Government and Communities Committee will take our feedback into consideration as part of the stage one parliamentary scrutiny process.

Call for Views - Question Responses

1) Do you think the Bill, taken as a whole, will produce a planning system for Scotland that balances the need to secure the appropriate development with the views of communities and protection of the built and natural environment?

As regulated businesses, with an obligation to deliver electricity, SSEN’s first priority is to provide a safe, efficient and reliable supply of electricity to our customers. Having a supportive planning system in Scotland, that encourages responsible development and appropriate investment in our rural communities is vital for SSEN to achieve this primary aim.

Overall, we believe the principals of the proposed bill could help to deliver positive changes to the current planning system in Scotland at a local, regional and national level. However, since much of the detail is planned to be dealt with through the secondary legislation process there is still a great deal of uncertainty as to how the proposals will be implemented at ground level. SSEN would therefore welcome the
opportunity to be considered as a key ‘stakeholder’ during the consultation process as the secondary legislation associated with the bill progresses.

It is vital that secondary legislation introduced via the Planning (Scotland) Bill aligns with and helps to deliver wider government priorities. The priorities for energy were outlined within the Scottish Government’s overarching Energy Strategy and Climate Change Plan, which covered Electric Vehicle growth, future proofing our electricity network, reducing fuel poverty, encouraging energy and heat efficiency and the delivery of further low carbon development.

As a responsible developer, SSEN is mindful of the delicate balance that needs to be struck between delivering important infrastructure while reducing environmental impact; as well as listening to and acting upon community feedback and being mindful of cost impact on our customers’ bills. This approach is embedded in the way we deliver our developments and Scotland’s planning system should support and enable this process, rather than create further barriers.

2) To what extent will the proposals in the Bill result in higher levels of new house building? If not, what changes could be made to help further increase house building?

SSEN has a neutral position on this part of the bill. We would however like to encourage the Scottish Government and Local Authorities to consider the wider supporting ancillary services that may be required, including electricity infrastructure, as part of any increases in housing development.

There may also be opportunities to explore strategic network improvements such as smart grids and supporting electric vehicle infrastructure to future proof this type of development. SSEN believes there is an opportunity to develop whole-systems approaches as part of this.

3) Do the proposals in the Bill create a sufficiently robust structure to maintain planning at a regional level following the ending of Strategic Development Plans and, if not, what needs to be done to improve regional planning?

It seems sensible to encourage more alignment between NPF, LDP and SPP, as proposed within the bill and SSEN is supportive of replacing Strategic Development Plans with a more integrated and streamlined regional focus within the NPF. Through SSEN’s Transmission business, we are required to undertake nationally important network improvements that can cover large areas, cross many local authority boundaries, and involve several network operators – for example our recently completed Beauly-Denny line would fall within this category. Encouraging a greater and more joined up regional focus at local authority and national level is welcomed to improve the efficiency of the planning process for nationally and regionally important projects and in turn reduces development expense for our customers.

Further clarity on regional and national development priorities, and how critical infrastructure would be defined within this new hierarchy process would be welcome.
4) Will the changes in the Bill to the content and process for producing Local Development Plans achieve the aims of creating plans that are focused on delivery, complement other local authority priorities and meet the needs of developers and communities? If not, what other changes would you like to see introduced?

SSEN welcomes the general principal of the LDP proposals within the bill, and agrees that the proposed changes will help to create plans that are focused on delivery, complement other local authority priorities and meet the needs of developers and communities, if implemented correctly. Nevertheless, the unseen detail of the accompanying secondary legislation will dictate how successful the bill will be. For this reason, SSEN recommends it is consulted on in advance of implementation to avoid any unintended issues that could otherwise hamper future development.

In particular, we are supportive of the suggestion to widen the definition of “key agencies” within the bill and would welcome further information as to what type of organisations would be eligible for this criterion. As a provider of critical electrical infrastructure in the North of Scotland, it would be beneficial to be engaged in this way, rather than as a statutory undertaker, and would allow essential utility and service providers to take a more strategic approach to infrastructure investment, align with wider organisations development plans to drive better customer and consumer value.

SSEN does not support the proposal within the bill section 8 (3) that states that: ‘In the event of any incompatibility between the NPF and LDP, whichever of them is the later in date is to prevail’. We do not believe that LDP should override national and regional level priorities for development. The inclusion of this statement should be reworded to ensure a formal hierarchy exists to avoid confusion and delays to the delivery of nationally critical infrastructure.

The Proposed change to a 10-year review cycle for both NPF and LDP will impact on SSEN’s existing and future business plans as agreed with Ofgem in the transmission and distribution Price Controls. For example, Ofgem requires that SSEN produce a business plan in advance of implementation, which currently projects future works over an eight-year period. SSEN is currently preparing for the RIIO-T2 business plan which will cover the period from 2021-2029. Development priorities can change greatly within a ten-year period; therefore, we welcome the opportunity to introduce review points throughout the NPF and LDP cycles so that any unforeseen, yet necessary investment can be considered for inclusion within the plan between the 10 yearly cycles.

In November 2017 SSEN published a report titled ‘Supporting a Smarter Electricity System’, which detailed the societal benefits of a transition to Distribution System Operators (DSOs). In contrast to DNOs that have primarily used fit and forget approaches and capital investments, DSOs will increasingly use smart technology and operational approaches to help manage local electricity networks. This will

1 https://www.ssepd.co.uk/SmarterElectricity/
include co-optimising distributed energy resources such as electric vehicles and low carbon generation to reduce network upgrades. Given the Scottish Government’s policies on de-carbonisation and electrifying transport, the DSO transition will be particularly important in the Scottish region, where the opportunities of smart grids have already been demonstrated on islands such as Orkney. With regards to the Bill SSEN hopes that it will remove barriers for the DSO transition rather than introducing new hurdles. For example, as a DSO SSEN will be required to make significant investment into communications infrastructure, yet it is unclear what the planning process will be for this and whether the bill has made provision for this type of development. We therefore welcome clarification.

5) Would Simplified Development Zones balance the need to enable development with enough safeguards for community and environmental interests?

In principal, SSEN is supportive of the introduction of Simplified Development Zones (SDZs) within Local Development Plans; however more detail is required as to how this will work in practice. In theory, this could be a very positive proposal and could create a level of certainty for SSEN, in terms of planning for new or upgraded infrastructure depending on the type of development allocated. As a regulated organisation, this would encourage cost efficiency for our customers and should help our industry move towards a smarter electricity network.

As discussed in our ‘Supporting a Smarter Electricity System’ report, SSEN plans to develop even closer relationships with local stakeholders such as Planning Authorities and Community Groups as part of our transition to DSO. Our progress of Constraint Managed Zones (CMZs) and Flexible Connections hinges on stronger collaboration. CMZs can provide new revenue to innovative solutions that lowers peak electricity demand, whereas flexible connections, as demonstrated by SSEN’s NINES project, enables new low carbon technologies to connect to the network quicker and at a lower cost. Whilst SPZs have had limited adoption so far, we think in the context of DSO there are opportunities to use SPZs to streamline smart grid developments. For example, SPZs could facilitate smart-home developments in a cost-efficient manner, as well as new Electric Vehicle fleets, which ties into the Scottish Government’s plans to have Low Emission Zones.

We do however have some concerns that the bill, or local authorities enacting the bill, may alienate certain types of development within SDZs depending on interpretation of policy. SSEN advocates that nationally important development, including critical electricity infrastructure, is not restricted or excluded from SDZs as access may be required when investigating the most efficient delivery of potential routing and siting options. We request that during the SDZ allocation process, that wider ancillary services that would be required depending on the type of development are also included to make it easier for utilities such as SSEN to seek planning permission within these areas.

We would welcome the opportunity to explore the opportunities and barriers that could arise through the introduction of SDZ’s further with the Scottish Government and Local Authorities within our network area.
6) Does the Bill provide more effective avenues for community involvement in the development of plans and decisions that affect their area? Will the proposed Local Place Plans enable communities to influence local development plans and does the Bill ensure adequate financial and technical support for community bodies wishing to develop local place plans? If not, what more needs to be done?

SSEN is supportive of increasing and enabling wider community involvement and engagement in the planning system to encourage, influence and gain meaningful feedback from a representative range of community groups, demographics and ages.

We understand that the detail, as to how Local Place Plans could be implemented and managed, is to be agreed following consultation through secondary legislation. Until further detail is provided SSEN is unable to meaningfully answer the above question but we welcome the opportunity to engage as a key stakeholder when detailed processes are considered.

From what is currently outlined within the bill, SSEN does not support the introduction of Local Place Plans as we don’t believe that they will provide a more effective system for local communities to be involved in planning for their local area. The proposal seems counter intuitive to the aim of the bill which is to streamline the number of planning policy reference documents and front load the engagement process.

The introduction of Local Place Plans could create an additional level of bureaucracy to the planning policy process. Instead, SSEN would advocate consultation and engagement with local residents and community groups during the early development of the LDP to allow communities to influence and share views on aspirations for their local area, rather than creating a separate plan that may or may not be adopted within LDP.

Should Local Place Plans be introduced, the detail of how they will work in practice along with eligibility and drafting criteria needs to be more prescriptive than what is currently in the Bill to avoid creating a vehicle that could potentially encourage further community objection to regional and strategic plans, or create community opposition groups. Groups taking forward the Local Place Plans should also be representative of the wider community, not just a small section.

Increasing levels of community consultation can, in some cases, have the opposite effect of what is intended and can reduce levels of participation within the planning system due to consultation fatigue. The Bill should instead focus on ways to enhance current community engagement practice by streamlining and making the process less onerous, especially for community volunteers with limited resources.

7) Will the proposed changes to enforcement (such as increased level of fines and recovery of expenses) promote better compliance with planning control and, if not, how these could provisions be improved?

SSEN has no comments on the enforcement proposals within the Bill.
8) Is the proposed Infrastructure Levy the best way to secure investment in new infrastructure from developers, how might it impact on levels of development? Are there any other ways (to the proposed Levy) that could raise funds for infrastructure provision in order to provide services and amenities to support land development? Are there lessons that can be learned from the Infrastructure Levy as it operates in England?

As a regulated organisation, SSEN is currently exempt from Section 75 agreements with local authorities. To avoid impacting customers’ bills, we advocate that regulated infrastructure providers, such as SSEN, should also be exempt from the proposed Infrastructure Levy. Should the intention be to include regulated infrastructure providers in the levy we would strongly request more detailed and direct consultation on this matter.

9) Do you support the requirement for local government councillors to be trained in planning matters prior to becoming involved in planning decision making? If not, why not?

SSEN is supportive of the requirements contained within the bill which encourages training for councillors prior to becoming involved in planning decision making. This should help to improve the quality of decision making processes at local authority level and reduce the number of appeals and planning challenges. The planning decision making process, both approvals and refusals, needs to be well informed and should be guided by universally approved planning policy documents to ensure a robust and fair decision process.

10) Will the proposals in the Bill aimed at monitoring and improving the performance of planning authorities help drive performance improvements?

SSEN is supportive of proposals within the bill to monitor and improve the performance of planning authorities, however we would welcome further information as to how this will be managed, measured and implemented at a local level.

Introducing KPIs in terms of reducing the number of overturned refusals, improving decision timescales and delivering key infrastructure per local authority area may be useful to manage accountability, reduce planning challenges and meet targets for planning authorities. This would help to identify whether any local authorities require extra assistance with planning policy and highlight possible areas for training or challenge by the National Planning Coordinator.

The introduction of a National Planning Coordinator role is particularly welcomed as an impartial, central point of contact to review performance and help drive performance improvements.

11) Will the changes in the Bill to enable flexibility in the fees charged by councils and the Scottish Government (such as charging for or waiving fees for some services) provide enough funding for local authority planning departments to deliver the high –performing planning system the Scottish Government wants? If not, what needs to change?
SSEN recognises that resource management is a key issue for Scotland’s planning authorities, and we welcome measures to try to address this. However, SSEN is mindful that any increases in our planning costs ultimately results in increases to our customers’ bills.

The north of Scotland network covers approximately 25% of GB land mass, but only includes approximately 2-3% of the GB population. The network is vast, in many cases extremely remote, and includes unique characteristics when compared to the other network areas, such as serving the vast majority of Scotland’s island communities. As a critical service provider for the rural communities in which we serve, we are obligated under regulatory authority to provide the electricity that our customers need at the fairest and most efficient possible cost.

For this reason we are firmly opposed to an increase in planning fees and the introduction of flexible and additional charging powers for local authorities. In particular, we believe these proposals could have a wholly negative impact on achieving wider Scottish Government policy priorities, such as measures to tackle fuel poverty.

Planning fees need to be proportionate, transparent and standardised by each local authority area to provide a level of certainty and limit further cost increases which ultimately is passed on to customers bills. We therefore do not support the introduction of variable discretionary charges for services per local authority area and believe that providers of critical infrastructure should be exempt from such practice.

12) Are there any other comments you would like to make about the Bill?

We note that Part 3 of the bill does not have any specific questions allocated in the call for views, however SSEN has a few additional comments on what is proposed here:

Planning appeals for permitted development
Most of SSEN’s low voltage work for our distribution business is classed as ‘permitted development’. While these developments are classed as minor in nature, they are still vital to ensure a robust supply to our customers and regularly facilitate national infrastructure projects and priorities. Presently, SSEN has a level of comfort should there be a planning disagreement at local authority level, that the application can be appealed independently to Scottish Ministers. We don’t believe that the sole route to appeal should revert to the local authority review body as there is a risk that local politics could influence wider/national planning policy requirements.

Planning duration
SSEN is supportive of the amends to planning duration within the bill. SSEN welcomes the introduction of planning duration by way of condition rather than having this historically included within the direction of the consent. This should introduce cost and time efficiency should the planning consent duration need to be extended for unforeseen reasons.
Modification and discharge of Planning Obligations

SSEN also welcomes the proposed amends to the modification and discharge of planning obligations. The introduction of new flexibility is sensible, and again should potentially create cost and efficiency savings for our business. However, we can also foresee potential issues with this approach should statutory consultees have any concerns about conditions proposed through the original application and suggest subsequent modifications. It is important that a sensible balance is struck so that developers do not face delivery delays as a result of substantial further amends, or the introduction of entirely new conditions before local authority sign off.

Should you require any further information or detail on our views, please do not hesitate to get in touch.