

Transfer of consenting powers for onshore wind generating stations to local authorities

Department of Energy and Climate Change

RPC rating: fit for purpose

Description of proposal

The proposal intends to transfer powers for granting planning permission for onshore wind farms greater than 50MW from the Secretary of State (SoS) for Energy and Climate Change to local authorities.

This would be achieved by making amendments to the Planning Act (PA) 2008 and Electricity Act 1989 such that new applications, including those currently in pre-application, would now be determined under the Town and Country Planning Act (TCPA) 1990 by local authorities in England and the relevant authority in Wales.

Impacts of proposal

The Department identify the key impacts on business as being a change in fee structures and timeframes for the consideration of applications.

The Department provides estimates of the theoretical maximum fees and time limits a planning application for a large onshore wind farm could face under the current PA regulations. These total £539,100 in fees per application and 139 weeks before a decision is made.

In contrast the Department estimates that under the TCPA developers would face maximum fees of £250,000 and a timeframe closer to 26 weeks. Therefore, moving to the TCPA could reduce the cost of an application by up to £290,000 and may reduce the time it takes to receive a decision, also potentially reducing business costs.

The final impact the Department considers is the potential change to the approval rates for future applications. Given the limited number of past decisions, the Department does not consider it possible to make a robust assessment of how the proposed changes would affect approval rates for large (>50MW) onshore wind farms.

Quality of submission

The Department acknowledges there are large uncertainties over the differences in timescales between seeking permission under the PA versus the TCPA. The Department provides historical evidence on the median time it has taken onshore wind farm applications to be progressed through the PA and TCPA. These figures show that the timescales are likely to be more similar than the difference in the theoretical maximums would suggest. As

such the Department assumes that, as a result of this proposal, there will be no reduction in the time taken to receive a decision.

In assessing the impact on approval rates the Department does provide some evidence. Only seven applications for large onshore wind farms have been made under the current PA regime. Of these, two were approved by the SoS, one was withdrawn, one is in progress and three are at the pre-application phase. In comparison approximately 50% of the 39 applications for wind farms between 20MW and 50MW made under the TCPA have received approval. However, this does not mean the remainder were not approved as some may have been withdrawn.

The Department's position is that these figures do not provide a sufficient basis on which to estimate the potential change in approval rates from moving to the TCPA. In part this is because the approval rates for <50MW applications made through the TCPA probably do not provide a good indication of how >50MW applications would be treated. But also any change in approval rates will be, in part, determined by the difference in the incentives faced by, and attitudes of, particular Secretary of States versus particular local authorities.

The RPC notes that many of the benefits of large onshore wind farms are either national or global in scope and the costs are primarily local, visual pollution for example. Given the incentives local authorities face they are likely to place greater importance on these local costs compared to an individual or institution with a primarily national focus. As such there is a clear and strong case to be made that the average impact of this change will be to reduce the rates of approval. This reduction in the ability of businesses, such as land owners and developers, to use land in a potentially profitable way represents a clear cost to business.

However given the significant uncertainties surrounding the extent to which approval rates will change, highlighted in the paragraphs above, the RPC accepts the Departments zero net cost classification. This is in line with current framework, which states that measures should be classified as zero net cost when neither the direct net incremental cost nor the direct net incremental benefit can be monetised at final stage.

The Department's small and micro business assessment (SaMBA) states that, due to the high construction costs, no small developers would be involved in seeking planning permission for wind farms with a capacity greater 50MW. The assessment would have been strengthened by the consideration of the impact on small businesses within the supply chain for onshore wind. However, investigating these supply chain impacts would likely come up against the same uncertainties and lack of data encountered in the main appraisal. In addition, it is clear from the nature of the policy that it would not be possible to exempt small business without undermining the policies intention of giving local communities a final say.

Other comments

The RPC notes the Department's acknowledgment that this change in how, and by whom, applications will be determined is only part of an overall policy. The Department points to a

written statement by the SoS for Communities and Local Government which states that local authorities should only grant planning permission for onshore wind developments if;

- the development site has been identified as suitable for wind energy in a Local or Neighbourhood Plan; and
- it can be demonstrated that the impacts identified by local communities have been fully addressed and the proposal has their backing.

The RPC understands that this written statement effectively becomes part of the planning rules, which local authorities must follow. The application of these two criteria, in conjunction with this proposal, is likely to reduce the chances of receiving planning permission for on-shore wind developments. This would reduce the potential for profitable investment in this type of development. As such, while the RPC accepts the designation of this proposal on its own as zero net cost for the purposes of the better regulation framework, it does note that this package of changes will likely be costly to business.

Initial departmental assessment

Classification	Zero net cost
Equivalent annual net cost to business (EANCB)	Unquantified
Business net present value	Unquantified
Societal net present value	Unquantified

RPC assessment

Classification	Zero net cost
EANCB – RPC validated	Unquantified
Small and micro business assessment	Sufficient



Michael Gibbons CBE, Chairman