

The policy challenges

This report examines five issues that project developers and planners have told us are the key challenges for the planning system for renewables and storage in England.

The next government will need to address these to be able to deliver on its renewable power targets.

- 1. There is a lack of priority for renewables within the National Planning Policy Framework (NPPF) and local plans.
- 2. Local planning authorities are struggling due to under resourcing and high staff turnover.
- 3. There is a lack of clarity on when planning permission should be refused due to the character of the area.
- 4. Onshore wind deployment has completely stalled.
- **5.** Communities are not being sufficiently engaged on clean energy projects.

Why planning needs to be a priority

Planning reform is key for the next government to deliver its clean energy goals

In this critical election year, both the government and the Labour Party have set ambitious targets to decarbonise our electricity system.

To meet these ambitions, renewable generation, grid capacity and storage will need to be delivered at scale and speed.

The volume of planning applications for clean energy projects is increasing and the government's plan to address barriers to connecting to the grid is likely to lead to a further rise.

The ability of our planning system to effectively process clean energy projects at scale will, therefore, be vital to meeting our zero-carbon power targets. This short paper focuses on the local planning system in England and the key challenges and reforms required to support our net zero goals.



By 2030, 95% of British electricity could be low carbon; and by 2035, we will have decarbonised our electricity system, subject to security of supply.

Powering Up Britain, 2023

In government, we will act fast to lead the world with clean and cheap power by 2030. We will make Britain a clean energy superpower with cheaper, zero-carbon electricity by 2030.

Labour Mission Document, 2023

Why planning needs to be a priority

Planning Reform — 3

Focus of this report

This report explores how to improve the local authority-level planning system for renewable energy and storage projects.

While the Planning Inspectorate deals with Nationally Significant Infrastructure Projects (NSIPs), local authorities are responsible for planning decisions for most clean energy projects.

To gather insight for this report Regen has engaged with renewable energy developers and local authority planners to identify the current challenges and solutions to local planning for clean energy. We have also carried out analysis of renewable energy planning data sources, including the UK government's Renewable Energy Planning Database and local authority policies and planning applications.

Local planning system

Currently, in England, the local planning authority decides on:

- All onshore wind projects
- Most battery storage projects
 (as some are considered as associated developments in NSIP projects)
- All other onshore electricity generation projects with an installed capacity less than 50 MW.

Other onshore electricity generation projects over 50 MW are classified as NSIPs.

Local authorities also play an important role in the NSIP process.

Planning applications have trebled

The volume of planning applications for renewable energy projects of all scales in England has more than trebled in the last decade and has risen notably in recent years.

Based on Regen's Day in the Life analysis with National Grid ESO, an additional 30 GW of solar and 20 GW of storage will need to be developed to deliver a decarbonised power sector by 2035. The UK government's Solar Taskforce is even more ambitious, targeting over 50 GW of solar deployment between now and 2035. The volume of planning applications will need to continue to increase if we are to deliver this level of projects.

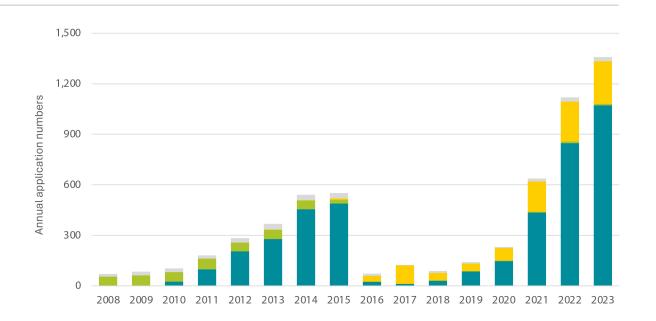
Figure 1:

The increase in renewable energy planning applications in England, 2008-2023.



Data source: Department for Energy Security and Net Zero (DESNZ), Renewable Energy Planning Database.

^{*}Other technologies include anaerobic digestion, offshore wind and hydrogen.



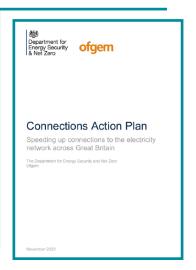
Changes to the grid connection process will drive further increases in planning applications

The interventions and policy reforms to unlock the grid connection queue in the UK could also drive an increase in planning applications.

The proposed new connections process includes stage gates, where generation and storage projects will need to demonstrate progress in planning. They will also need to present land agreements.

This is expected to lead to developers accelerating their planning applications. This could result in a significant tranche of projects applying for planning permission to demonstrate they are 'connection ready'.

Delays to planning departments registering, reviewing and deciding on renewable energy planning applications could undo the potential solutions developed by DESNZ, Ofgem and the Electricity System Operator (ESO) to unblock the 700 GW connection queue.



In the Connections Delivery
Board concerns were raised about
the potential influx of planning
applications to local authorities...
the ESO will need to engage with
industry to manage the impact
of the proposals on planning
applications and local authorities,
considering the increased activity
that may result.

1. Lack of priority for renewables within the NPPF and local plans

The National Planning Policy Framework (NPPF) does not give sufficient priority to ensuring that our clean energy targets are being delivered at the local level.

Net zero is not mentioned within the NPPF and the policy wording on renewable energy is weak, particularly compared to the prioritisation given to NSIPs through the new Critical National Priority (CNP) designation.

As a result, many local authorities' renewables planning policies are not reflecting or giving appropriate weight to the level of renewable energy need.



Uneven policy context for renewable energy development, presents a challenging context for developers.

The NPPF is not ambitious enough on renewables

The NPPF sets out the overarching planning policies for England. The policies apply to the preparation of local plans as well as decisions on planning applications.

There is a lack of priority for net zero and renewable energy within the NPPF. The words 'net zero' are not mentioned.

The government has published useful planning guidance on renewable energy; however, this is only guidance and does not carry the weight of adopted policy.

In contrast, the Scottish equivalent, National Planning Framework 4, has a clearer statement that planning authorities should support renewable energy as a key priority.

Local planning authorities in England, therefore, do not have a clear policy direction on the urgency and need for renewable energy either in developing local plans or making decisions on individual applications.



The Scottish National Planning Framework 4 has the following intent:

To encourage, promote and facilitate all forms of renewable energy development onshore and offshore.

Local planning policies on renewables are inconsistent



Recent research:

22% of respondents said their local plan did not contain a renewable energy policy. Of those that did, only 13% included a defined target for renewable energy generation and none had included any criteria for battery storage schemes.

Spatial planning for climate resilience and Net Zero (CSE & TCPA, 2023)

The lack of clear renewable policy direction in the NPPF has led to inconsistency within the system.

Some local authorities have developed ambitious policies for renewable energy based on resource assessments. Other authorities have very restrictive criteria-based policies creating a barrier to renewable energy development.

This creates an uneven policy context for renewable energy development, presenting a challenging context for developers operating across England.

It is currently unclear how Ofgem's proposals to establish a Regional Energy Strategic Plan will align with local spatial planning as a key priority.

Only large-scale infrastructure has been designated as a Critical National Priority

The NSIP regime designates all low carbon energy infrastructure including grid connections as CNP.

CNP infrastructure benefits from a favourable policy presumption: "The urgent need for CNP infrastructure to achieve our energy objectives, together with the national security, economic, commercial and net zero benefits, will in general outweigh any other residual impacts not capable of being addressed by application of the mitigation hierarchy."

However, a similar designation has yet to be extended to renewables applications under the NPPF regime. This means that a 50 MW solar farm (decided at the NSIP level) is a CNP, but a 49 MW solar farm (decided at the local authority level) is not prioritised in the planning system.

To have consistency across our renewables policies, we need both scales of the planning system to give similar priority to renewables.



Government strongly supports the delivery of CNP infrastructure and it should be progressed as quickly as possible.



Overarching National Policy Statement for Energy

The 2024 proposals for an accelerated planning system miss any consideration of renewable energy.

Regen consultation response: an accelerated planning system



Recommendations for updating the NPPF

The Department for Levelling Up, Housing and Communities (DLUHC) should undertake a review of the NPPF to:

- Identify renewable energy development as a central priority
- Ensure that decision making and local plan development become fully aligned with net zero and renewable targets
- Establish a framework for ensuring that local authorities set ambitious and proactive renewables policies.



Planning policy needs radical reform to support net zero. The planning system must have an overarching requirement that all planning decisions must be taken giving full regard to the imperative of net zero.

Committee on Climate Change 2023 progress report to Parliament

2. Local planning authorities are under resourced

Challenges with recruiting and retaining planners in local planning authorities are significantly impacting the planning system for renewable and storage projects.

Working conditions for public sector planners have worsened and more are moving to the private sector. At the same time, local planning authorities' budgets have reduced.

Local plans are also increasingly out of date, meaning that many local authorities' renewables policies do not reflect the latest sector developments.



Many local authorities have ongoing and unresolved resourcing challenges.

Challenge 2 Planning Reform — 10

Local planning authorities are struggling to hire and retain staff

Regen has heard directly from local planning authorities about the challenges faced in retaining and recruiting staff. These include:

- Issues with low pay, increasing workloads, lack of career progression and worsening conditions
- Recruitment of poor-quality candidates due to lack of applicants
- Pressure on performance and speed leading to a reduction in time on, and care with, applications
- Officers not being given sufficient time on applications
- Lack of in-house specialists.

These issues have made local authority planning a less desirable profession, creating ongoing and unresolved resourcing challenges.



A lot of experienced and talented people have left to move to the private sector.

Local planning authority, England

Planners are moving from the public to private sector

More planners are moving to work in the private sector, yet the total number of planning applications (including non-energy applications) being submitted has remained relatively consistent, leading to increasing workload pressure.

Figure 2: Planners working in the public and private sector in England and overall numbers of planning applications in England 2010-2020.

Total planning applications (England)

Planners in public sector

Planners in private sector

Data source: DLUHC, ONS Annual Population Survey.



Public spending on planning applications halved between 2010 and 2019

Public spending per planning application in England halved between 2010 and 2019, while the overall number of applications (of any type) submitted remained largely consistent.

This has contributed to the overall workload challenges faced by local planning authorities in England, reducing the time available to be spent on individual applications.

High staff turnover is impacting project development

Developers regularly identify that a shortage of experienced staff and a high level of staff turnover within local authority planning departments has been impacting project delivery.

Challenges arise from local planning authorities losing staff with experienced knowledge of a project part-way through an application.

Additionally, the option to have a meaningful phone conversation with a local planner has been taken away in many instances due to high staff workloads, making it challenging to discuss project details.

These challenges have led to developers struggling to resolve small issues with projects, either delaying the process or increasing the chances of refusal or opposition.



The loss of experienced staff in local authorities is creating significant challenges for our projects.

Renewable energy developer

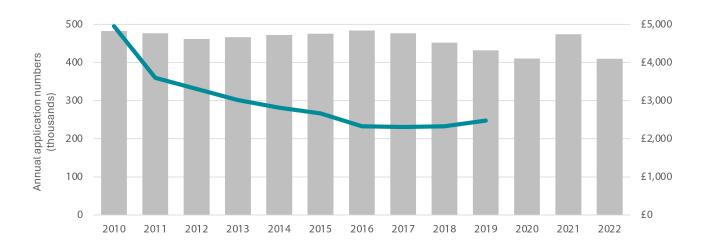
Staffing up those officers in local authorities across the country is a priority... It is recognised and it is a problem.

Andrew Bowie MP, House of Commons Energy Security and Net Zero Committee meeting, 20 March 2024



- Total planning applications (England)
- Public spending per planning application*

Data source: DLUHC, ONS Annual Population Survey. *Inflation-adjusted figures for spending on public planning are only available up until 2019.



Local plans are increasingly out of date

Research undertaken by Litchfields identified the slow progress in the making and updating of local plans.

Its analysis of the local plan pipeline suggests that, by the end of 2025, only 22% of local plans in England will be less than five years old and 38% will be over 10 years old.

Older local plans are unlikely to have a proactive renewables policy covering the latest technology. This may negatively impact decision making.



By the end of 2025, 38% of local planning authorities in England will have a local plan that is more than 10 years old.

Litchfields 2023: <u>Timed out?</u> A projection of future local plan coverage in 2025 under prevailing policy conditions



Recommendations for addressing local authority planning resourcing

DLUHC should carry out a review of local authority planning resourcing. This should:

- Build upon work started under the planning skills delivery fund to undertake a review of pay, working conditions and career progression for local authority planners
- Review the potential for developing specialist renewable energy planner roles that work across local authorities
- Consider how to increase the capacity of local authorities to update local plans.

3. Planning refusals for onshore renewables are often based on the character of the area

'Area character' is a broad term for the landscape or features of the area surrounding the proposed development. This in an important concept to protect landscapes that are valued by local people

However, an absence of clear policy direction creates uncertainty for developers when or where area character may become a challenge for renewables projects.

It is also important that the impact of a project on the character of an area is balanced with the potential <u>future detrimental impacts</u> of climate change on the landscape.



67% of all refusals for battery storage projects are based on area character.

Photo: Next Energy Capital 'Camila'

Challenge 3 Planning Reform — 14

Reasons for the refusal of battery storage projects

Local authority refusals for battery applications mention 'area character' above all other reasons, appearing in 67% of all refusals since 2020.

This suggests a need to review how area character is being considered and if policies are clear enough on the balance between the character of an area and the need to address climate change. Fire risk is also becoming an increasing concern for industry, decision makers and the public, due to public concerns, outdated existing guidance and a lack of awareness regarding the technology and fire safety mitigation measures.

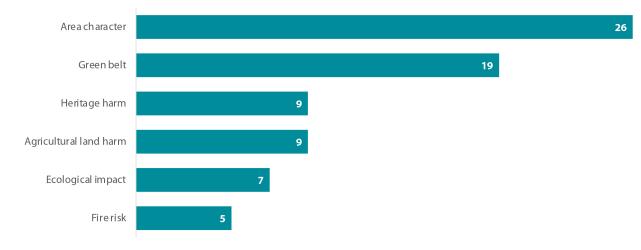
To help address these concerns, in April 2024 DESNZ published guidance on Health and Safety in grid scale electrical energy storage systems.

The <u>Electricity Storage Network</u> is working with members, the government and wider stakeholders to increase knowledge and share best practice on this crucial area.

Reasons for the refusal of solar projects

Local authority reasons for refusing solar projects under 50 MW also mention 'area character' in 25% of all refusals since 2019, closely followed by 'agricultural land harm' and 'heritage harm'.





Data source: DESNZ, Renewable Energy Planning Database and local authority planning application data.

Figure 5: Reasons for refusal for ground mount solar projects under 50MW in England since 2019.

 $\label{eq:decomposition} \mbox{Data source: DESNZ, Renewable Energy Planning Database} \\ \mbox{and local authority planning application data}.$



Agricultural land

Agricultural land has been a topic of political concern for solar, leading to the Written Ministerial Statement on 'Solar and Protecting our Food Security and Best and Most Versatile (BMV) Land' published in May 2024. However, the statement clarifies that 'the total area of agricultural land used for solar is very small, and even in the most ambitious scenarios would still occupy less than 1% of the UK's agricultural land'.

Renewables also represent a reversible land use that do not cause long-term damage to the land, unlike other forms of more permanent built development. Additionally, solar developers have been proactive in establishing biodiversity enhancements through their projects. New biodiversity net gain requirements in planning law will further ensure solar sites have a net positive impact.

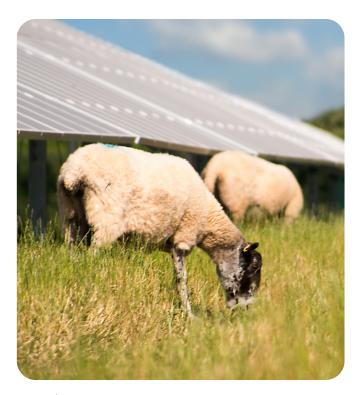


Photo: Lightsource BP





Recommendations for reviewing the approach to area character

DLUHC should undertake a review of how the NPPF considers the balance between landscape protection, visual impacts and the need to address climate change. This should:

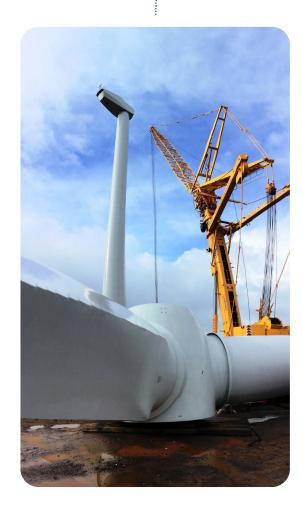
- Reflect the reality that climate change will make a large impact on the landscape and that renewables are part of the solution for reducing this impact
- Provide clearer policies regarding the siting and visual impact of renewable energy
- Make it clear how local authorities should set criteria that prioritise renewables in their plan making, in a way that also considers landscapes that may be valued by local people.

4. Onshore wind development has completely stalled

In 2015, planning restrictions were introduced for onshore wind in England. The policy change required local authorities to allocate suitable areas for onshore wind and for proposals to demonstrate that they addressed all community concerns and had community backing.

This policy change effectively ended the development of onshore wind in England, as developers were unwilling to risk the development capital to take applications through a planning system weighted towards refusal. Since 2016, only 16 turbines on new sites have been granted planning permission in England.

The policy was updated in 2023; however, these changes did not go far enough in removing the restrictions and have not led to a significant increase in projects being developed.



Only 16 new turbines have been granted planning permission in England since 2016.

Note: this does not include applications that were submitted and later withdrawn or repowering applications.

See approach in this paper.

Challenge 4 Planning Reform — 17

Onshore wind development in England has completely stalled

Since the start of 2020, just two onshore wind sites (totalling 4.2 MW) have become operational in England. In comparison, over 110 MW of capacity has become operational in Scotland and Wales over this timeframe.

Under or awaiting construction

The project pipeline in England is small and mainly consists of single-turbine projects, extensions to existing sites or upgrades to larger turbines.

This totals 54 MW across 16 projects – less than a tenth of the capacity under or awaiting construction in Scotland and Wales, which totals 573 MW.

Figure 6: Onshore wind developments in England over 1 MW between 2016 and 2023.



Data source: Renewable Energy Planning Database: January 2024.

Only 11% of local planning authorities have allocated areas for onshore wind

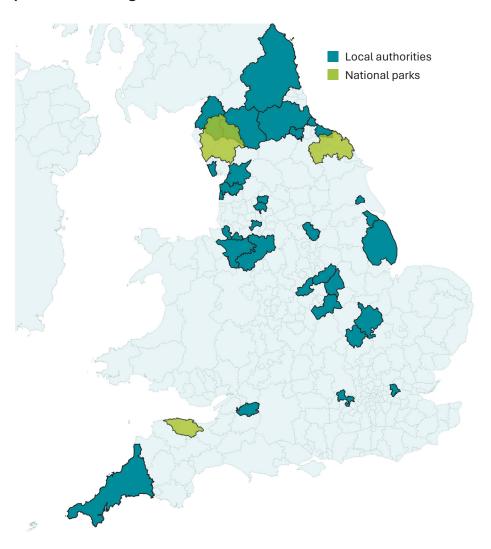
Since the policy change in 2015, only 36 local authorities have adopted policies allocating areas for onshore wind. Of those 36, some include tight restrictions such as only allowing very small turbines.

Research identified that resource and time constraints have prevented more local authorities from allocating areas. There is also a strong preference from local authorities for the requirement to allocate areas for onshore wind to be removed.

If national policy restrictions were removed, there is already significant interest from developers and community energy organisations to develop more onshore wind.

Figure 7:

Map showing local authorities with adopted policies allocating areas for onshore wind.



Data Source: Individual local authority adopted local plans.

Challenge 4 Planning Reform — 19

The 2023 changes on onshore wind planning policy did not go far enough

In 2023, the government updated the policy for onshore wind in England; however, the changes did not go far enough to enable developers to bring forward projects. In particular:

- The requirement for onshore wind projects to have 'community support' is unclear with no confirmed way of evidencing this
- The alternative forms of development orders which are permitted as methods of site allocation do not address the key underlying resourcing constraints that have prevented many local planning authorities from allocating areas
- A recent survey of community energy organisations showed that the current policy wording is preventing community-owned wind farms from coming forward.

Onshore wind is still treated differently from all other forms of infrastructure. If we are to see investment in this sector, there needs to be supportive policy.



Onshore wind is still nearly impossible in England due to restrictive planning policy.

Possible Wind-powered Heat report, 2024



Recommendations for changing onshore wind policy

Political parties should commit in their election manifestos to:

- Remove footnote 58 of the NPPF so onshore wind is no longer subject to additional planning hurdles and is treated in the same way as other infrastructure
- Consider onshore wind developments over 50 MW under the NSIP regime.

5. Communities are not being sufficiently engaged on clean energy projects

The public is very supportive of clean energy. This support must be maintained as we increase renewable energy deployment.

We need clearer communication with the public on the wider changes to our energy system, along with higher standards of community engagement for individual projects.

Community benefit packages that respond to the needs of individual communities, as opposed to a one-size-fits-all approach, are key.



Public attitude surveys show over 80% of people support renewable energy.

Challenge 5 Planning Reform — 21

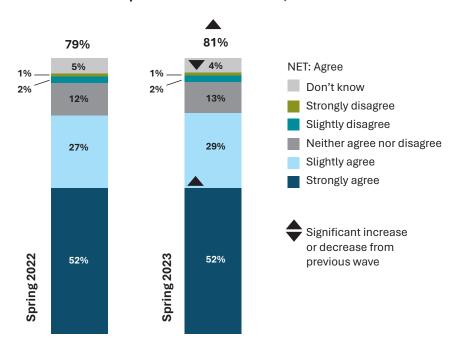
Communities are at the centre of our energy system

To achieve renewable development at the scale and pace required, we must bring the public with us. DESNZ's public attitude surveys show over 80% of people support renewable energy, with just 2% opposing it. However, some projects can face strong local opposition.

<u>DESNZ</u> has published guidance on community engagement for onshore wind developers to support them in following and building upon best practice in community engagement. This highlights the importance of starting engagement early, reaching the whole community and ongoing engagement through the project's development and operational life.

We need such guidance for other technologies and to ensure there is goodquality information available for the public to inform their judgements.

Figure 8: Results from DESNZ's public attitudes tracker, winter 2023.



Community benefits must respond to local needs

Community benefit packages are commonly provided alongside renewable energy projects and many developers have delivered significant benefits to local communities through this process.

This has been aided by RenewableUK's Community Benefit Protocol, launched in 2011. However, experiences vary between communities and developments.

Research has shown the importance of community benefits being tailored to the needs of the community and being easy to access with a clear point of contact with the developer. Some communities may also need additional support to access and use this funding.



...developers in England with qualifying projects commit to provide community benefits of £5,000 per MW of installed capacity, or equivalent benefits-in-kind, directly to host communities.

Renewable UK's Community Benefit Protocol

Research also shows that communities having a share in ownership of renewable energy can increase local acceptance. In 2015, the coalition government set up a Shared Ownership Taskforce that produced a protocol for developers to follow in offering communities the opportunity to invest in projects. However, this was not taken forward by subsequent governments.



From 2015 it will be the norm for communities to be offered some level of ownership of new commercially developed onshore renewable projects.

Government's response to Shared Ownership Taskforce





Recommendations for ensuring that communities are at the centre of our future energy system

DESNZ should bring forward measures to engage communities in clean energy development, including:

- Working with industry to develop a public awareness campaign on the need for renewables and to address common misconceptions
- Taking forward the findings of the 2015 Shared Ownership Taskforce so that communities are offered ownership in commercial projects
- Publishing best-practice guidance on community engagement for all onshore renewables
- Publishing best-practice guidance on offering a range of community benefit options and supporting communities to make decisions on how to use these.

Summary of recommendations

This report identifies five key recommendations for the planning system in England:

- DLUHC should update the NPPF to prioritise net zero and renewable energy.
- DLUHC should review pay, working conditions and career progression for local authority planners to address persistent resourcing challenges.
- DLUHC should update the NPPF to ensure a balance between landscape protection and the need to address climate change.

- 4. Political parties should make a manifesto commitment to remove the additional restrictions for onshore wind, set out in footnote 58 of the NPPF.
- 5. DESNZ should publish best-practice guidance on community engagement and benefits for all onshore renewables and take forward the findings of the 2015 Shared Ownership Taskforce.



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Report by: Rebecca Windemer, Planning and communities lead, Regen

Analysis by: Shona Reid, Energy analyst, Regen

Approved by: Hazel Williams, Associate director, Regen

Regen Bradninch Court, Castle St, Exeter EX4 3PL

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Regen provides independent, evidence-led insight and advice in support of our mission to transform the UK's energy system for a net zero future. We focus on analysing the systemic challenges of decarbonising power, heat and transport. We know that a transformation of this scale will require engaging the whole of society in a just transition.



Engage with us

If you'd like to speak to us about planning, please reach out to Rebecca Windemer, rwindemer@regen.co.uk Regen's planning and communities lead.

We are continuing to work in this space and will be shaping our ideas through our Planning Working Group. Regen members can sign up for the working group <u>here</u>.