

## SSEN Transmission's submission to the Local Government, Housing and Planning Committee Review into NPF4 - April 2024

### SSEN Transmission's role:

- SSEN Transmission, part of SSE plc, owns, operates and develops the high voltage electricity transmission system in the north of Scotland and remote Scottish islands.
- Through our Pathway to 2030 projects, we are investing over **£20bn** this decade to deliver critical grid infrastructure investment that will help to unlock the Scottish and UK Government's 2030 renewable energy targets, strengthen energy security and support a pathway to a net zero economy.
- These projects will enable **11GW** of ScotWind projects to connect to the grid by 2030.
- The consenting process will be one of the most important drivers (and biggest risks) to unlock this ambition so the planning policy framework, including NPF4 needs to enable for critical infrastructure.

### Transmission project development and consenting process:

- **Our projects are developed based on evidence of need from an electricity system perspective and undertaken in line with established UK and Scottish Government legislation**, also including planning and environmental policies, NPF4, and legal obligations through our operating license.
- **Our overhead lines are consented through the S37 consents process, governed by the Electricity Act 1989.** Although the energy portfolio is reserved to UK Government, the role of consenting S37 projects falls under the responsibility of the Scottish Government's Energy Consents Unit (ECU), with local planning authorities being statutory consultees along with other relevant bodies and community groups.
- **Our substations are consented through the Town and Country Planning (Scotland) Act 1997.** Consenting for these projects fall under the responsibility of the relevant local authority and their planning committee. *Our projects cover all local authority regions in the North of Scotland.*

### Leaving a positive legacy for communities:

The development of our £20bn Pathway to 2030 schemes marks one of the largest critical infrastructure investment programmes in the north of Scotland for almost a century. Through this investment we are committed to deliver legacy benefits to our host communities to support local supply chain opportunities, accommodation strategy, community funds, jobs and skills requirements. **Socio-economic analysis estimates that around 9,000 indirect jobs will be supported in Scotland, with these projects also contributing £2.6bn to Scottish GVA.** This doesn't include the added benefit that will be delivered, through Scotwind and other customers across a range of industries, that this increase in grid capacity will unlock. There will be no transition without transmission.

### Leaving a positive environmental legacy as we deliver our infrastructure:

We are also committed to achieving positive environmental outcomes with environmental considerations embedded into our processes, following a mitigation hierarchy of 'avoid, minimise, mitigate and restore'. Since 2019, we are proud to be one of the first developers to consult upon and implement an approach to deliver Biodiversity Net Gain (BNG) on all our new projects. Robust policies are also in place to manage and mitigate any impacts on woodland, marine environments and irreplaceable habitats. You can read more about our approach and environmental commitments [here](#).<sup>1</sup>

### Local Government, Housing and Planning Committee's review of NPF4:

We welcome that our role in the delivery of Net Zero is strongly recognised within NPF4, particularly in Policy 11: Energy and in the National Developments section. We remain concerned, however, that the current wording and open interpretation of some individual policies will not enable delivery of NPF4's overarching decarbonisation objective and creates further uncertainty for the timely delivery of transmission infrastructure, including increased risk of Public Local Inquiry (PLI). We therefore welcome the opportunity to share our views with the committee ahead of its NPF4 annual review.

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<sup>1</sup> [environmental-legacy-booklet \(ssen-transmission.co.uk\)](https://www.ssen-transmission.co.uk/environmental-legacy-booklet)

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Examples of specific policies which are currently creating challenges can be found below:

- **Policy 3: Biodiversity** – lack of clarity on a Scottish biodiversity metric and requirements for marine biodiversity resulting in inconsistent decision making and conditions for our infrastructure. More definition is also needed on what is an irreplaceable habitat and there should be greater flexibility on the location of biodiversity enhancement to deliver greater benefits for communities.
- **Policy 5: Soils** – lack of clarity and consistency on peatland restoration requirements for essential infrastructure.
- **Policy 6: Forestry and Woodland** – lack of clarity and consistency on definition of ancient woodland, and no flexibility in policy wording for linear essential infrastructure when no other location is suitable.
- **Policy 11: Energy** – lack of clarity on definition of Community Wealth Building resulting in inconsistent decision making and inappropriate planning conditions for essential infrastructure.
- ***We've included more detailed information and examples of the resulting impacts for transmission infrastructure in appendix 1 below.***

### **Addressing NPF4 challenges for transmission infrastructure**

In the context of enabling a timely and just transition to net zero, we're keen to work collaboratively with the Scottish Government, statutory consultees and wider stakeholders to explore how current NPF4 challenges can be overcome in the consenting process in the context of achieving 2030 targets. While we recognize that **NPF4 is intended to be considered pragmatically and on the whole by decision makers** who will assess our consent applications, there is currently no direction or guidance on **hierarchy of policies** within the document, which leaves this process entirely up to interpretation. This risks inconsistency in decision making and creates uncertainty for the delivery of critical infrastructure projects in the context of net zero.

We welcome the recent publication of the Scottish Government's consultation on the process for making amendments to NPF which we believe will be a helpful first step to resolve current policy conflicts, however timescales for the delivery of 2030 targets are incredibly short and we are concerned that the current policy uncertainty will have a detrimental impact on the delivery of our critical infrastructure in the meantime. **Planning applications for our Pathway to 2030 projects will be submitted later this year, with decisions expected in 2025 to meet the 2030 deadline. Any mechanism for changes to NPF are likely to be progressed outside this window.**

As the consultation process on NPF4 amendments is undertaken and implemented we believe that it would be helpful for the Scottish Government to **develop a specific policy guidance note from the Chief Planner** to clarify how NPF4 policies should be interpreted for the consenting of transmission infrastructure in the context of achieving the Scottish Government's 2030 targets. **We'd also welcome this guidance aligning with the UK Government's recently updated National Policy Statement (NPS) for Electricity Networks Infrastructure (EN-5)<sup>2</sup> as transmission infrastructure is classed as nationally strategic infrastructure for the UK as a whole.**

In addition, we also have a keen interest in housing proposals within NPF4 as we develop a **Strategic Housing Strategy** with supply chain and regional housing partners to house our workforce during construction of our 2030 grid investments. As we develop this strategy we are also exploring what long term legacy housing benefits could be handed over to local authorities and regional housing partners. It's important that NPF4's housing policies are enabling particularly for key workers and affordable housing delivery partners to support the Scottish Government's Depopulation Action Plan and Rural and Islands Housing Strategy. We're currently undertaking engagement with regional housing stakeholders to understand current challenges in more detail and look forward to hearing further discussion on NPF4 progress for the housing sector as the Committee undertakes its annual review of NPF4.

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<sup>2</sup> [Electricity Networks National Policy Statement - EN-5 \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

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### Appendix 1

An overview of detailed NPF4 policy challenges for transmission infrastructure:

#### 1) **Policy 3: Biodiversity**

- We support the ambitions of the policy, and as one of the first developers to consult upon and implement a Biodiversity Net Gain strategy (BNG) for all new projects we welcome its inclusion within NPF4.
- Private sector investment in Biodiversity restoration and regeneration will be absolutely critical for achieving the Scottish Government's Biodiversity Strategy and any future Nature Restoration targets.
- The current policy for biodiversity enhancement favours a local approach where this is delivered on the site of the development e.g at our substations.
- Due to our BNG policy, we design in positive effects for biodiversity as we develop our infrastructure, however this can sometimes be challenging for us to secure and manage as we don't own the land which our projects are being delivered on (these initiatives are primarily delivered through voluntary agreements with landowners).
- We feel there is therefore a missed opportunity in this policy to deliver much more strategic regional or national biodiversity enhancement schemes offsite that would have a wider reach in terms of Biodiversity enhancement and wellbeing benefit to support the Scottish Government's NPF4 and Biodiversity Strategy ambitions.
- This could support national scale priority projects such as the Atlantic Rainforest, rather than just focusing on individual habitats at our sites and substations.
- Inconsistent interpretation of this policy by Local Authorities is also presenting challenges for the consenting of our projects. For example, the absence of a definitive list of irreplaceable habitats means that there isn't an agreed reference point for developers and decision makers on this during the consenting process.
- We're also finding that there is a lack of clarity on requirements for marine biodiversity delivery resulting in different conditions from planning authorities based on NPF4 interpretation – greater guidance is required to encourage consistency in decision making across our projects.
- Similarly, we'd also welcome the urgent introduction of a Scottish Metric for onshore Biodiversity Measurement which is currently being consulted upon by NatureScot. Its introduction would help to provide consistency in approach across our project portfolio as policy 3 is implemented by Local Authorities.

#### 2) **Policy 5: Soils**

- We welcome the flexibility in policy wording for Peatland, which allows for development of essential infrastructure where there is a "*specific locational need and no other suitable alternatives*".
- Our concerns with policy 5 stem from NatureScot's standing advice *Advising on peatland, carbon-rich soils and priority peatland habitats in development management*<sup>3</sup> which was published in June last year to provide further guidance on the policy's implementation. Industry was not consulted on its development.
- We agree that restoration should be delivered as part of any unavoidable peatland development however the current guidance proposes that developers undertake this on a 1 to 10 ratio. For example: *for every one hectare of impact, we must restore ten (plus a buffer) for compensation. Plus an additional 10% of the baseline assessment of the extent of priority peatland habitat to call the activity "enhancement"*.
- This recommendation has not been supported with evidence of proportionality in terms of compensation of biodiversity or carbon impacts. This has a particularly penalising effect on grid developments due to its

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<sup>3</sup> Advising on peatland, carbon-rich soils and priority peatland habitats in development management  
<https://www.nature.scot/doc/advising-peatland-carbon-rich-soils-and-priority-peatland-habitats-development-management>

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linear nature and the geography of our infrastructure in rural areas. There is also an increasing cost for project delivery which is not in the best interest of consumers.

- We understand that a further review of this standing advice is expected imminently and we would request that essential infrastructure providers are provided an opportunity to input into this process and that the final restoration figure is reasonable and reflective of the level of carbon impact.
- Current uncertainty on the requirements for peatland restoration is creating delay for the delivery of some of our critical infrastructure projects whilst the review is outstanding. **This includes our Western Isles link which will be critical for energy resilience and economic growth in the Outer Hebrides.**
- Owners of peatland sites are also raising concerns about the implications of releasing vast areas of land for restoration projects which may not align with their own land management and commercial interests for the site and to that end are often unable or unwilling to enter into discussions with us in order for peatland restoration to be carried out.

### 3) Policy 6: Forestry and Woodland

- Policy 6: Forestry and Woodland states a basic presumption against any development in ancient woodland areas.
- We fully support the intention to protect ancient woodland as it is a precious habitat in Scotland, and it is for this reason we have strong processes in place to prioritise avoidance of this habitat wherever possible.
- While woodland cover only represents 2% of Scotland's landscape, due to the linear nature of our infrastructure and the extent of ancient woodland cover within our operational area in the north of Scotland (taken alongside other designations such as National Parks etc), it will not be possible to avoid every parcel of land designated as ancient woodland (despite our best efforts), and this will substantially increase the risk of objections and the triggering of PLI's which will create risk for timely delivery of 2030 targets.
- Where impacts cannot be avoided, over and above our standard compensatory planting policy, we are committed to provide lasting mitigation to enhance the condition of existing woodland habitat sites such as ancient woodland.
- An approach in wording which is similar to the Final NPF4's peatland policy (policy 5: Soils) would reduce the delivery risk for Scotland's Transmission network and support development in cases where there is evidenced locational need and no other site is suitable in the context of net zero delivery.
- This would also align with the UK Government's National Planning Policy Framework on policy 186 for irreplaceable habitats: ***"development resulting in the loss or deterioration of irreplaceable habitats (such as ancient woodland and ancient or veteran trees) should be refused, unless there are wholly exceptional reasons and a suitable compensation strategy exists"***<sup>4</sup>
- Alongside this there is currently ambiguity on what is actually defined as ancient woodland within NPF4 which also leaves the policy open to interpretation and inconsistency in decision making. This creates further risk and uncertainty for future network development.
- To mitigate this, we would welcome the new Register of Ancient Woodlands to become the conclusive record of ancient woodland in Scotland considered with regard to Policy 6 in NPF4.

### 4) Policy 11: Energy (providing clarity on delivery of economic benefit)

- Policy 11: Energy, section c states that ***"Development proposals will only be supported where they maximise net economic impact, including local and community socio-economic benefits such as employment, associated business and supply chain opportunities."***

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<sup>4</sup> [National Planning Policy Framework \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

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- We support this statement and are committed to deliver significant economic impacts through the delivery of our infrastructure, including the establishment of networks community benefit funding, with guidance currently being developed by the UK Government<sup>5</sup>.
- However, we are finding that an increasing number of local authorities are including Council managed community benefit fund related consent conditions for our projects. Three of our recent projects have received such conditions - Edinbane Substation (Highland Council), Broadford Substation (Highland Council) and the Elchies Wind Farm grid connection (Moray Council) - which we feel is inappropriate from a consenting perspective.
- We're also seeing the introduction of "enhanced community benefit funding compensation" conditions, where we would be expected to pay additional funding to a local authority should projected socio-economic benefit as identified in our Environmental Impact Assessment (EIA) not be achieved.
- The provision of community benefit funding is not a material consideration in the planning process and therefore should not have a bearing on decision making. *Planning conditions in this regard directly contradict this guidance.*
- It should be noted that we are committed to delivering community benefit funding through our new projects, however the scope of this is still to be determined by UK Government guidance. In establishing a fund, we're keen to introduce an equitable, fair and aligned approach across our network area that aligns with UK guidance and is led by community feedback – *taking a different approach, led by planning conditions, with different local authority areas requesting different requirements for Council run funds, would be resource intensive and may not result in equitable outcomes for our host communities.*
- The placing of conditions like this in planning consents create unnecessary delay to the delivery of critical infrastructure due to challenge on both sides.
- We would therefore request that greater clarity is provided on the intention and expectations of the economic benefits section of Policy 11 by the Scottish Government to ensure consistency in approach and interpretation across local authority areas, particularly on the acceptability in planning policy for community benefit funding conditions.
- The current wording of Policy 11 creates a risk that local planning authorities will be misdirected to giving undue consideration to peripheral matters such as local supply chain opportunities (which we are keen to support but won't usually know this detail of at the time of a planning application) when it is the material considerations of the proposed development itself that should be assessed.

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<sup>5</sup> [Community benefits for electricity transmission network infrastructure - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/policies/community-benefits-for-electricity-transmission-network-infrastructure)