

Title: Transfer of consenting powers for onshore wind generating stations to local authorities. IA No: DECC0193 Lead department or agency: Department of Energy and Climate Change Other departments or agencies:	Impact Assessment (IA)		
	Date: 29/07/2015		
	Stage: Final		
	Source of intervention: Domestic		
	Type of measure: Primary and Secondary Legislation		
Contact for enquiries:			

Summary: Intervention and Options	RPC Opinion: Green
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Cost of Preferred (or more likely) Option			
Total Net Present Value	Business Net Present Value	Net cost to business per year (EANCB on 2009 prices)	In scope of One-In, Two-Out? Measure qualifies as
-	-	-	Yes Zero Net Cost

What is the problem under consideration? Why is government intervention necessary?

Local communities often oppose onshore wind farm developments arguing that they have direct noise and visual amenity impacts in their local areas. The proposed intervention - which was a commitment in the Government's manifesto - intends to ensure that future decision making for large onshore wind projects (greater than 50MW) is transferred from the Planning Act (2008) and Electricity Act (1989) to the Town and Country Planning Act (1990) in England and Wales. This measure will operate in England in conjunction with the new planning considerations set out on 18th June by the Secretary of State for Communities and Local Government that fulfil the manifesto commitment that local people should have the final say on wind farm applications.

What are the policy objectives and the intended effects?

The policy intention is to give local communities the final say on applications for all onshore wind farms. Transferring consent decision making for large onshore wind farms from the Secretary of State into the Town and Country Planning Act (1990) regime will help to achieve this objective.

What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base)

As the determination of development consents for onshore wind farms greater than 50MW by the Secretary of State is a statutory obligation under the Planning Act 2008, there are no alternative, non-regulatory options for the implementation of the policy objective.

Will the policy be reviewed? It will not be reviewed. If applicable, set review date: NA					
Does implementation go beyond minimum EU requirements?			NA		
Are any of these organisations in scope? If Micros not exempted set out reason in Evidence Base.	Micro No	< 20 No	Small No	Medium No	Large Yes
What is the CO ₂ equivalent change in greenhouse gas emissions? (Million tonnes CO ₂ equivalent)			Traded: - ¹	Non-traded: -	

I have read the Impact Assessment and I am satisfied that (a) it represents a fair and reasonable view of the expected costs, benefits and impact of the policy, and (b) that the benefits justify the costs.

Signed by the responsible minister:  **Date:** 09/09/215

¹ As no change in the level of onshore wind generating capacity is projected as a result of this policy in isolation, there are no estimated impacts on CO₂ emissions.

Summary: Analysis & Evidence

Policy Option 1

Description:

FULL ECONOMIC ASSESSMENT

Price Base Year NA	PV Base Year NA	Time Period Years NA	Net Benefit (Present Value (PV)) (£m)		
			Low: -	High: -	Best Estimate: -

COSTS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	-	-	-
High	-	-	-
Best Estimate	-	-	-

Description and scale of key monetised costs by 'main affected groups'

There are three onshore wind farms of over 50MW in capacity at the pre-application phase in England and Wales which will be affected by the measure and will be considered by the relevant local authority. The developers will already have committed considerable resources in respect of the pre-application process under the Planning Act 2008. However, a significant proportion of the work undertaken and costs incurred at pre-application stage under the Planning Act would also have been incurred and will continue under the Town and Country Planning Act, for example work on an Environmental Impact Assessment, on public consultation, design work, legal fees and land acquisition. Any work and associated costs incurred under the Planning Act that would have been required under the Town and Country Planning Act are by definition not incremental to the policy option, relative to the baseline.

Other key non-monetised costs by 'main affected groups'

Local authorities will face different resource implications in determining larger onshore wind farms than they do where such developments (in their local area) go through the NSIP system. For example, local authorities produce Local Impact Reports for an NSIP but cannot charge for these reports whereas local authorities already charge for applications made under the Town and Country Planning Act. Local authorities should face negligible (if any) adjustment costs arising from familiarisation given their existing responsibilities for determining onshore wind farms.

BENEFITS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	-	-	-
High	-	-	-
Best Estimate	-	-	-

Description and scale of key monetised benefits by 'main affected groups'

Developers seeking planning permission to build onshore wind farms of over 50MW in capacity would benefit from a reduction in application fees. This is estimated at up to £290,000 per application (see Table 1 and para. 21). It is not possible to make an estimate of the number of applications that will be made in coming years.

Other key non-monetised benefits by 'main affected groups'

Developers seeking planning permission to build onshore wind farms of over 50MW in capacity could potentially benefit from a shorter application process and lower internal costs of application (para. 28).

Key assumptions/sensitivities/risks

Discount rate (%) 3.5%

This impact assessment is based on publically available data. Information about the internal costs to developers of preparing applications was therefore unavailable due to the commercial sensitivity of the information and consequently no quantified estimates are made of the potential cost differences between policy options.

BUSINESS ASSESSMENT (Option 1)

Direct impact on business (Equivalent Annual) £m:			In scope of OITO?	Measure qualifies as
Costs: -	Benefits: -	Net: -	Yes	Zero net cost

Evidence Base for Summary Sheets

1. Rationale for Government Intervention

1. Local communities often oppose onshore wind farm developments, arguing that they have direct noise and detrimental visual amenity impacts on their communities. The Government made a manifesto commitment to give local people the ‘final say’ on all new onshore wind farm applications in their area.
2. Currently consenting decisions for onshore wind farms sited in England or Wales with planned electricity generating capacity of more than 50 megawatts (MW) are determined by the Secretary of State for Energy and Climate Change under the Planning Act (PA) 2008 through Development Consent Orders (DCOs). Having a consent under the PA (or previously the Electricity Act 1989) means that applicants do not have to apply to local authorities for planning permission. Applications for planning permission for onshore wind farms of less than 50MW are determined by local authorities under the Town and Country Planning Act (TCPA) 1990.
3. The proposed intervention would transfer the consenting decision for onshore wind farms with more than 50MW generating capacity to the Town and Country Planning Act. This means that decisions on future onshore wind projects will be taken by local authorities in England and either by local authorities or by Welsh Government in Wales (subject to the implementation of the Planning (Wales) Act 2015). The standardisation of the planning consents process for onshore wind farms in England, regardless of size will therefore also have the effect of simplifying the application process for developers in England and will devolve decision making to the relevant authority in Wales. Energy consenting, including onshore wind farms above 50MW, is devolved to Scotland and Northern Ireland and decisions are made under section 36 of the Electricity Act 1989 by Scottish Ministers and under the Planning Act (NI) 2011 by Northern Ireland Ministers. The Government’s ambition in respect of onshore wind was clearly set out in the Conservative manifesto, which stated that: *“Onshore windfarms often fail to win public support”* and *“[we will] change the law so that local people have the final say on windfarm applications”*. Transferring decision-making for large onshore wind farms local authorities will help to achieve this objective.
4. On 22 June 2015 the Secretary of State for Energy and Climate Change announced in Parliament that the Energy Bill would outline proposals to devolve decision making for new onshore wind farms “out of Whitehall” so that local people have the final say on onshore wind applications. Alongside this proposal the Government has announced the early closure of the Renewables Obligation to onshore wind and additional considerations that developers in England must satisfy following the written statement by the Secretary of State for Communities and Local Government, published on 18th June 2015. This stated that when determining planning applications for wind energy development involving one or more wind turbine, local planning authorities should only grant planning permission if:
 - the development site is in an area identified as suitable for wind energy development in a Local or Neighbourhood Plan, and;
 - that following consultation, it can be demonstrated that the planning impacts identified by affected local communities have been fully addressed and therefore the proposal has their backing.
5. The Government believes that the package of measures on onshore wind will more effectively balance the range of objectives on decarbonisation, affordability, security of supply and public acceptability.

6. The Government remains committed to the UK's 2020 renewable energy targets. Onshore wind has deployed successfully to date, and it is estimated that with implementation of the package of new measures on onshore wind - including the changes to the Renewables Obligation – the UK will fall within the mid-range of the EMR Delivery Plan projections of 11-13GW by 2020. This amount of onshore wind generation capacity is sufficient to ensure that we are on track to meet our 2020 aim of 30% of electricity generation from renewable sources while remaining within the limits of what is affordable¹.
7. In 2014, onshore wind made up around 5% of UK electricity generation (19% from renewables in total) and at the end of April 2015 there were 490 operational onshore wind farms in the UK, comprising 4,751 turbines in total with cumulative installed capacity of 8.3GW. There is now enough onshore wind in the pipeline, including projects that have planning permission, to meet the 2020 renewable requirements and to contribute towards a balanced generation mix and ensure security of electricity supply.
8. Onshore wind will therefore continue to be an important part of the UK's current and future low-carbon energy mix. However, the Government believes that in light of the high levels of projected onshore wind capacity in 2020 it is now the right time to rebalance the regulatory regime in order to address concerns relating to affordability and the acceptability of these developments to local communities. The proposed changes to the planning arrangements will help give local communities the final say on onshore wind farms in England and Wales.
9. It is considered appropriate for different generation technologies to have different regulation and planning regimes. Part of the Government's approach to renewables and wider energy development in the UK is to differentiate between generating technologies in regulation and support systems in order to encourage the deployment of a diverse mix of technologies and facilitate cost reductions. This has been achieved through different demand led support schemes for renewable technologies e.g. the Small Scale Feed-in-Tariff and Renewable Obligation and the competitive Contract-for-Difference regime and differing levels of support for different technologies and through the planning regime. With regard to the planning regime, in 2011 the Government published National Policy Statements that set out the "need" case at the strategic level for renewable technologies. As progress is made towards the renewable power targets and as these technologies mature, it is appropriate to review these regulatory and support arrangements as they apply to specific technologies in order to strike the right balance between keeping consumers' bills as low as possible while reducing emissions in the most cost effective way and ensuring public acceptability of particular technologies.

2. Policy Objective

10. The policy objective is to give local communities the final say in decisions on whether onshore wind farm projects proceed. The effect of the proposal, which would be enacted through a combination of primary and secondary legislation, would be to transfer decision-making for planning consent for onshore wind farms in England and Wales to local authorities who are accountable to their local community. This will help address concerns that onshore wind projects result in adverse effects at the local level, including noise and visual impacts.

¹ Financial support for renewable technologies primarily comes in the form of subsidies which are paid for via energy bills. The total amount of subsidies available is capped via a mechanism called the Levy Control Framework (LCF).

3. Description of Options Considered

Two policy options were considered:

- **Option 1:** A ‘**Do Nothing**’ baseline option was ruled out on the basis that it would not achieve the policy objective of giving local people the final say. By definition, no changes would be made to the planning arrangements and the Secretary of State for Energy and Climate Change would continue to take decisions on consents for onshore wind farms with generating capacity of more than 50MW.
- **Option 2: the policy option (preferred)** – to give local people the final say by transferring planning powers from the Secretary of State for Energy and Climate Change to local authorities. This would be achieved by amending the PA 2008, and creating an exemption under the Electricity Act 1989 by making Orders through secondary legislation to close the consenting regimes to new applications (including those in the pre-application process). The Orders could come into effect from winter 2015. An amendment to clarify the position in the Electricity Act 1989 will be included in the Energy Bill, but this will not change the substantive position achieved by the exemption order.

11. The determination of development consents for onshore wind farms greater than 50MW by the Secretary of State is a statutory obligation under the PA 2008. This means that there is no non-regulatory alternative to legislative amendments in order to achieve the objective of transferring primary decision making to local authorities.

4. Monetised and non-monetised costs and benefits

12. The direct impacts on business from the proposed policy would arise as a result of the change from the national to local planning application process as developers will face differences in the fee structures and potentially also the timeframes for consideration of their applications. While both aspects will vary case-by-case, this assessment sets out the status quo as the counterfactual case and the estimated impact of proposed consent regime changes on applications for new build projects in comparison to this.

13. A generic new project application is considered. The impact on the policy option on existing onshore wind applications in England and Wales is also considered.

Option 1 - Do nothing

14. By definition, there are no changes to primary or secondary legislation in the ‘Do nothing’ scenario and therefore zero costs or benefits. Onshore wind farms with generating capacity greater than 50MW would continue to apply to the Secretary of State for the Department of Energy and Climate Change for approval. The following section set out the costs of the status quo arrangements for baseline purposes, to enable an estimate of the potential change in costs under Option 2.

Current application costs to business for an onshore wind farm of greater than 50MW capacity

Fees and time frame of application

15. A developer making an application under the current scheme would face fees at various stages of their application, which are set at fixed rates by virtue of the PA. The PA also determines the

maximum time the Government can take for each stage of the application process. This information is available to applicants through the PA portal².

16. The total fees payable and the time required for the application can vary with the size and complexity of the project. For the purpose of this analysis, it is assumed that a large (i.e. >50MW) onshore wind project may be difficult to examine and affect a significant number of stakeholders. Therefore, Table 1 reflects the maximum possible fees payable per applicant and the time required for consideration of a single planning application at the relevant phase of the application process. Most of the fees payable are associated with the examination stage and they can vary with the number of examiners required to assess an application.

Table 1: Maximum fees and maximum time limits for each stage of an application under the Planning Act 2008.

		Fees (£2015)	Maximum Time (weeks)
Pre-Application	Developer informs Planning Inspectorate of intention to submit an application in the future. Prior to submission, developer required to consult on their proposals including with the relevant local authority. Time taken to prepare and consult will vary depending upon its scale.	£2,000*	72**
Acceptance	Acceptance stage begins when developer submits a <u>formal</u> application for consent to the Planning Inspectorate. From then, up to 28 days for the Planning Inspectorate, on behalf of the Secretary of State, to decide whether or not the application meets the standards required to be accepted for examination.	£4,500	4
Pre-Examination	At this stage, the public are able to register with the Planning Inspectorate and provide a summary of their views of the application in writing.	£43,000	12
Examination	The Planning Inspectorate has six months to carry out the examination. Those who have registered to have their say are invited to provide more details of their views in writing.	£489,600	24
Planning Inspectorate Decision	The Planning Inspectorate prepares a report for the Secretary of State, including a recommendation, within 3 months of the six month examination period.	£0	13
Secretary of State Decision	Following receipt of the report, the Secretary of State has 3 months to make the decision on whether to grant or refuse development consent.	£0	13
Total		£539,100	139

Source: Planning Act Portal - <http://www.planningportal.gov.uk>

*At the pre-application stage an applicant may pay fees for access rights.

** The time taken for pre-application is not determined by the Planning Act. This estimate is based on previous projects.

17. For a large onshore wind farm, with a capacity greater than 50MW, the current planning application process could therefore cost an applicant up to £539,100 in fees and take up to 139 weeks from the start of their pre-application process to determination by the Secretary of State.

Internal Costs of Application

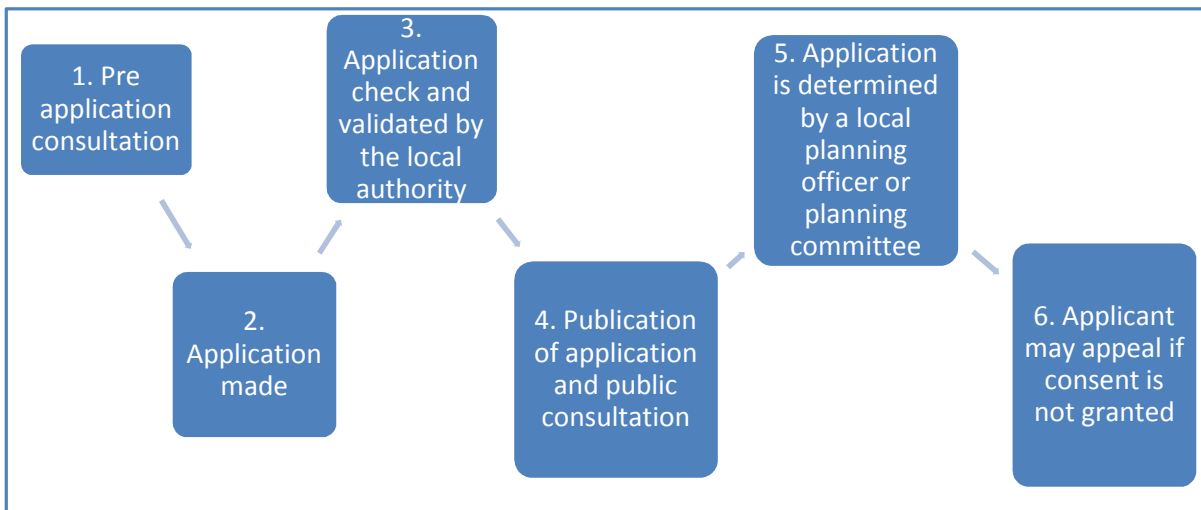
² <http://www.planningportal.gov.uk>

18. Each developer submitting an application will incur costs to gather and provide the necessary information required and to engage with the planning authority and public at each stage of the process. These costs are likely to vary between applications and developers and this information is commercially sensitive. Therefore, whilst it has not been possible to make a reasonable estimate of these costs, it is reasonable to assume that the internal application costs will be higher if the application process takes longer and is more complex and lower if it is shorter and simplified. This assumption applies to both policy options.

Option 2 - Policy option

19. Figure 1 summarises the application process that a developer of a large wind farm with a capacity greater than 50MW would face under the TCPA if the proposed policy change came into effect.

Figure 1: Application process under the Town and Country Planning Act.



Fees

20. Under the policy option, applications for onshore wind farms of greater than 50MW in capacity would be made under the TCPA and determined by the relevant local authority. In England under the TCPA, applicants must pay a fixed fee of £19,049 plus an additional £115 for each 0.1 hectare (or part thereof) in excess of 5 hectares. Total fees are capped at £250,000. Onshore windfarms with a capacity above 50MW are likely to cover a large area, for example the Clocaenog Forest Wind Farm in Wales will have a generating capacity of over 50MW and covers an area of 1,463 hectares³ (on the assumption that fees are calculated in the same way in Wales as they are in England).⁴ ⁵Therefore applications for wind farms above 50MW would pay the maximum application fee of £250,000⁶.

Time Frame

21. Target times for the application process are set out in regulation⁷. While the time limits in the PA are set out for each stage of the process, target times for an application under the TCPA apply to the

³ <http://infrastructure.planningportal.gov.uk/projects/wales/clocaenog-forest-wind-farm/>

⁴ http://www.planningportal.gov.uk/uploads/welsh_application_fees.pdf,

⁵ http://www.planningportal.gov.uk/uploads/english_application_fees.pdf

⁶ Details of Town and Country Planning Act fees - http://www.planningportal.gov.uk/uploads/english_application_fees.pdf

⁷ The Town and Country Planning (Development Management Procedure) (England) Order 2015 and The Town and Country Planning (Environmental Impact Assessment) Regulations 2011

process as a whole. An application for a major development which requires an Environmental Impact Assessment, such as a large onshore wind farm, should take no more than 16 weeks⁸.

22. However, in practice agreements can be made between an applicant and the local authority to extend the time frame where it is clear that an extended period will be necessary to process an application. This can be done prior to the process commencing, or if it becomes clear part-way through that more time than the statutory period is required. This agreement requires the approval of both the developer and the local authority and any such agreement must be in writing and set out the timescale within which a decision is expected. The timetable set out in the agreement or extension of time may subsequently be varied by agreement in writing between both parties.
23. Where a planning application takes longer than the statutory period to decide, and an extended period has not been agreed with the applicant (either at the outset or part-way through the process), the Government's policy is that the decision should be made within 26 weeks at most in order to comply with the 'planning guarantee'. The planning guarantee determines that no application should spend more than a year with decision-makers, including any appeal. In practice, this means that planning applications should be decided in no more than 26 weeks, allowing a similar period for any appeal. The planning guarantee does not replace the statutory time limits for determining planning applications.
24. There is also a legal requirement for developers to carry out a pre-application consultation with the local community for planning applications for onshore wind turbine developments involving more than 2 turbines, or where the hub height⁹ of any turbine exceeds 15 metres as identified in Article 3 of the Town and Country Planning (Development Management Procedure) (England) (Order) 2015. In practice, this would apply to the majority of onshore wind farms, and certainly those with a generating capacity greater than 50MW¹⁰. For projects of more the 50MW installed capacity, the pre-application requirements and time frame under the TCPA are considered likely to be similar to those required under the 'pre-application' phase under the PA as set out in Table 1 above. The time required for these activities are therefore additional to the statutory time limits described above under the TCPA (e.g. 16 weeks, 26 weeks or by agreement between the applicant and the local planning authority).
25. Whilst the Government has been clear that onshore wind energy developments should only get the go-ahead if it is supported by local people through local and neighbourhood plans, developers will continue to have the right to appeal planning decisions, but any appeal would have to take into account this clear requirement for local backing.
26. There are no fees charged to the applicant for making an appeal as the costs for this are borne by central Government. The applicant and local authority would however bear their own internal costs of preparing and taking part in an appeal.

Internal Costs of Application

27. As discussed in paragraph 16 with respect to applications under the PA, no assessment has been made of the potential internal costs to business under the TCPA, due to the commercially confidential nature of this information. However, it is not anticipated that the internal costs would vary significantly as a result of the policy change. For example, the costs of preparing and submitting an application for consent, such as the purchase of land, environmental impact assessments, public consultations and initial project design would be the same under either option. It is also considered likely that

⁸ <http://planningguidance.planningportal.gov.uk/blog/guidance/determining-a-planning-application/what-are-the-time-periods-for-determining-a-planning-application/>

⁹ The hub height is the distance from the turbine platform to the rotor of an installed wind turbine and indicates the height the turbine stands above the ground, not including the length of the turbine blades.

¹⁰ <http://planningguidance.planningportal.gov.uk/blog/guidance/renewable-and-low-carbon-energy/particular-planning-considerations-for-hydropower-active-solar-technology-solar-farms-and-wind-turbines/>

developers who would have previously applied for planning permission for onshore wind farms greater than 50MW to the Secretary of State will be familiar with the existing system for farms up to and including 50MW, and therefore it is assumed that there are no additional costs associated with familiarisation.

Impact per application – the preferred Policy Option compared to Option 1 (baseline)

28. Based on the schedule of fees above, there is a significant reduction in the total possible fees payable per application between baseline and preferred policy option up to £290,000. As outlined, the cost per application for onshore wind farm of more than 50MW would face fees up to £539,100, while the costs under the TCPA would be around £250,000. This is considered a reasonable assumption given that large onshore wind farms cover large land areas, are likely to be more complex and affect a large number of people. However, it is recognised that if an application under the PA requires just one examiner rather than a panel of examiners during the most costly 'Examination' stage, then total fees levied upon the applicant would be lower. In turn, this would mean that the estimated cost saving from such a case being considered under the TCPA would be lower than £290,000. As discussed earlier, the overall application process has similar requirements for applicants under each option. A development on the scale of an onshore wind farm greater than 50MW capacity would require an Environmental Impact Assessment (EIA) under the EU EIA Directive and would need to comply with EU requirements on public consultation contained within both the Planning Act 2008 and in the Town and Country Planning (Development Management Procedure) (England) (Order) 2015. As a consequence, there are not expected to be any material internal cost differences to developers with respect to preparing an application under each option.
29. Due to the default statutory time limits described above under the TCPA framework (option 2), the policy proposal could potentially reduce the time taken for an application for an onshore wind farm of generating capacity of more than 50MW to be processed relative to existing arrangements under the PA. However this is uncertain and timescales will vary on a case by case basis and in particular be subject to any agreements to extend determination periods that are reached between the applicant and the local authority.
30. The Department of Energy and Climate Change's Renewable Energy Planning Database (REPD)¹¹ tracks the progress of renewable energy projects as they move through the planning system. Historical data on the median time (months) taken to determine applications made under both the TCPA (<50MW) and the PA (>50MW) are reported in Table 2 below. But drawing precise conclusions from the data is problematic for a number of reasons. For example, only two applications for onshore wind farms over 50MW in England and Wales have been submitted and determined under the PA since it came into force in March 2010. It should also be recognised that the time taken for applications to be processed is likely to vary significantly between applications for larger projects of greater than 50MW than those below 50MW due to their scale and complexity (although this is by no means certain). As a result of these uncertainties and given the limited data available, it is assumed that the changes made under the policy option would not significantly affect (either increase or decrease) the time taken for an application to be determined.

¹¹ <https://www.gov.uk/government/statistics/renewable-energy-planning-database-monthly-extract>

Table 2: Application timeframes for onshore wind plant greater than 1MW and less than 50MW under the Town and Country Planning Act compared to those for plant over 50MW made under the Planning Act in England and Wales

	Average time (months) application to approval	
Year of Approval	Onshore Wind Projects <50MW Local Planning Authorities (includes time taken for appeals)	Onshore Wind Project >=50MW Under Planning Act, Secretary of State (since March 2010)
2012	18 (35 projects)	
2013	12 (31 projects)	16 (1 project)
2014	16 (21 projects)	16 (1 project)
2015	11 (10 projects)	

Source: DECC, Renewable Energy Planning Database.

31. While we have so far focused on a generic new project application, there are three onshore wind farms over 50MW in capacity in England and Wales currently at the pre-application phase which would be affected by this intervention. Their applications would be considered under the TCPA and be determined by the relevant local authority. The three projects range in size between 170MW to 277.5MW (as presented in planning applications) of generating capacity. The developers will already have committed resources in respect of the pre-application process under the PA.

32. However, a significant proportion of the work undertaken and costs incurred at pre-application stage under the PA would also have been incurred and would continue to be relevant under the TCPA. This includes work on an Environmental Impact Assessment, public consultation, design work, legal fees and land acquisition. Any work and associated costs incurred under the PA that would have been required under the TCPA are by definition not incremental to the policy option, relative to the baseline.

Impact on approval rates for future applications

33. So far this assessment has considered impacts on a per application basis, looking at the fees charged for the application and on the speed of a decision being made. This section considers the impact of the proposed change on approval rates for onshore wind farm applications.

34. For applications under the PA, since the current legislation took effect in March 2010 there have been 7 applications for large (>50MW) onshore wind farms in England and Wales. Of these applications:

- 2 were determined by the Secretary of State for Energy and Climate Change and both received consent;
- 1 application was withdrawn;
- 1 application is currently in progress, and;
- 3 are at the pre-application phase.

35. Around 50% of 39 projects that have applied for planning permission since 2010 that have a capacity between 20MW and 50MW under the TCPA have received approval. These projects are approved

either directly or on appeal, based on the REPD. While around 50% of projects were approved by local authorities since 2010, it is not necessarily the case that the remainder were not approved. A number of applications may drop out post-application for reasons other than determination by local authorities, such as difficulties in securing finance.

Difficulties with projecting application and consent rates

36. It is not possible to project future approval rates for onshore wind farms, either below or above 50MW under the baseline or policy option by extrapolating from the limited number of past decisions. In particular, the local and national contexts for the projects vary from project to project and can change over time. Therefore, it is not possible to make a robust assessment of how the proposed changes to planning consent decisions would affect the approval rate for onshore wind farms above 50MW of installed capacity. For new projects, developers will have an incentive to assess the planning context when assessing location options.
37. The proposed changes to the consent regime for onshore wind developments under the policy option sit within the context of wider policy changes for onshore wind. While these other changes are outside the scope of this impact assessment, it would be difficult to estimate the effect of each policy change – including to consents regime - in isolation. The other changes comprise the early closure of the Renewables Obligation to onshore wind, as well as additional planning considerations set out in the written statement by the Secretary of State for Communities and Local Government, published on 18th June 2015. This stated that when determining planning applications for wind energy development involving one or more wind turbine, local planning authorities should only grant planning permission if:
- the development site is in an area identified as suitable for wind energy development in a Local or Neighbourhood Plan;
 - and that following consultation, it can be demonstrated that the planning impacts identified by affected local communities have been fully addressed and therefore the proposal has their backing.

Wider Impacts

38. The requirement the policy proposal would place on local authorities would vary with the number of applications. As noted above it is not possible to predict the number or frequency of applications for such projects.
39. Under the policy option local authorities would have to determine applications for onshore wind farms over 50MW in capacity as well as for those under 50MW which they currently determine. It is considered unlikely that local authorities will incur any significant transitional familiarisation costs because they are closely involved in the existing application process under the PA¹². Local authorities have also determined wind farms of up to 49.5MW under the TCPA and will consider the same factors when determining a project over 50MW.
40. Application fees are set by legislation and under the existing framework it is not possible for local authorities to adjust rates in order to charge a higher fee for larger projects. Under the policy option, any costs of hearing an appeal will continue to be borne by central Government – no fees would be charged to the applicant. The applicant would incur internal costs in preparation for the appeal.
41. As no change in the level of onshore wind generating capacity is projected as a result of this policy in isolation, there are no estimated impacts on CO₂ emissions.

Risks and Assumptions

42. This impact assessment is based on publically available data. Information about the internal costs to developers of preparing applications was therefore unavailable due to the commercial sensitivity of the information and consequently no quantified estimates are made of the potential differences in these costs between the baseline and the policy option. A reasonable assumption is however made that the internal costs of application (under either option) will be higher if the application process is more complex or takes longer. This reflects the need to dedicate staff and other resources to the process for a longer period of time.
43. An assumption is made that under current arrangements (i.e. the baseline) a generic applicant for a large onshore wind farm would face the maximum fees applicable under the PA (£539,100). This is considered a reasonable assumption given that large onshore wind farms cover large land areas, are likely to be more complex and affect a large number of people. The majority of the fees are associated with the examination phase of the application. If for example the application did not require a panel of examiners and instead only required one examiner the fees would be reduced and the estimated cost saving from such a case being considered under the TCPA (i.e. the policy option) would be lower than £290,000.
44. An assumption is made that the pre-application requirements for applicants under both options are similar. The costs of preparing and submitting an application for consent, such as the purchase of land, environmental impact assessments, public consultations and initial project design would be the same under either option. It is also assumed that developers who would have previously applied for planning permission for onshore wind farms greater than 50MW to the Secretary of State will be familiar with the existing system for onshore wind farms up to and including 50MW, and so therefore it is assumed that there are no additional costs associated with familiarisation.
45. Internal costs associated with achieving consent for an application will vary in the policy option if the applicant is first unsuccessful and then chooses to appeal. The decision to appeal is optional. The data presented in Table 2 includes the time taken to appeal but the legislation itself does not require

¹² A description of Local Authority Responsibilities for applications determined by the Planning Act 2008
http://infrastructure.planninginspectorate.gov.uk/wp-content/uploads/2015/03/Advice_note_2.pdf

this step. Data from the REPD presented in Table 2 provides information on applications that have been submitted. There may be further time between the determination of an application and the start of construction. For a number of reasons, it is also possible that some projects that receive planning approval do not proceed to the construction phase.

Rationale for approach

46. The quantified estimated impact of the policy option is limited to the change in fees applicants would face under the proposed planning process, on a per application basis. Where possible this impact assessment uses available information to form an assumption about the nature of impacts on applicants (costs and benefits) where a quantification of the magnitude is not possible.

5. Direct costs and benefits to business (OITO methodology)

47. Amending primary and secondary legislation to give local authorities the power to determine large onshore wind applications should have a direct benefit to business in the form of lower application fees. However, for the reasons explained above it is not possible to know how many applications would be affected by these changes and the evidence base on potential costs is limited. With the evidence available it seems unlikely that the policy option will increase direct costs to business. However, given the difficulty in estimating a robust expected annual net cost to business figures, a zero net cost to business classification seems most appropriate.

6. Small and Microbusiness Assessment (SMBA)

48. The legislation proposed here does not introduce any additional burdens on small or micro-businesses. The construction costs for a large onshore wind farm, with a generating capacity above 50MW, exclude smaller developers from the market.

7. Summary of preferred option with description of implementation plan

49. Developers who have applications that will be directly affected by the changes have been contacted by the Department and Energy and Climate Change and their views have been sought. The Government intends to lay secondary legislation (in two statutory instruments) in September 2015 which will:

- amend the Planning Act 2008 by removing onshore wind in England and Wales from the defined types of development which are required to have development consent under the Planning Act 2008; and
- direct that the requirement for consent under Section 36 of the Electricity Act 1989 to construct, extend or operate generating stations will not apply to onshore wind farms.

50. We currently expect that the secondary legislation would come into force in early winter of this year. These orders are supported by an Energy Bill clause which will replace the exemption under the Electricity Act and amend the Act itself to exclude onshore wind from the requirement for consent of the Secretary of State under the Electricity Act.