HOUSE OF LORDS

Industry and Regulators Committee

Corrected oral evidence: The energy grid and grid connections

Tuesday 25 February 2025

10.30 am

Watch the meeting

Members present: Baroness Taylor of Bolton (The Chair); Lord Best; Viscount Chandos; Baroness Drake; Baroness Harding of Winscombe; Lord Teverson; Viscount Thurso; Viscount Trenchard; Baroness Valentine.

Evidence Session No. 6 Heard in Public Questions 51 – 56

Witnesses

I: Dr Pauleen Lane, Professional Lead for Infrastructure, Planning Inspectorate; Dr Ada Lee, Policy Specialist (Infrastructure and Climate Change), Royal Town Planning Institute.

Examination of witnesses

Dr Pauleen Lane and Dr Ada Lee.

Q51 **The Chair:** This is the Industry and Regulators Committee of the House of Lords. We are conducting an inquiry into the grid provision and problems surrounding future demand. We have two witnesses in our first session this morning: Dr Pauleen Lane, professional lead infrastructure in the Planning Inspectorate, and Dr Ada Lee, a policy specialist on infrastructure and climate change with the Royal Town Planning Institute. Welcome to you both and thank you very much for coming along this morning.

Before we get into the more detailed questions, it would be good if you could give us some background information and an idea of the role of your organisations in terms of approving new energy infrastructures in the context of grid projects. Who would like to say a few words first?

Dr Ada Lee: The Royal Town Planning Institute is a professional body for town planners. We have 27,000 members across the world, mainly based in the UK. In terms of approving new energy infrastructure, about half of our members work in the public sector and the other half in the private sector. Of the half who work in the public sector, some work for central government departments such as the Planning Inspectorate; Pauleen will be able to say more about what PINS does.

Quite a lot of our members work in local authorities. The role of local authority planners in approving new energy infrastructure depends on the scale of the project as well as where they work. For major infrastructure projects, local authority planners are required to produce a local impact report. They are also a statutory consultee and will be involved in commenting on applications, particularly aspects about consultation methods. After a decision has been made, they will be engaged in discharging of requirements, monitoring, and carrying out enforcement if needed. If the applicant wants to put in an amendment post consent, they would be able to comment on those notifications as well.

Smaller local projects go through the Town and Country Planning Act 1990 regime. Very much like other types of planning applications, they will be involved in assessing those applications and making recommendations to planning committees.

Dr Pauleen Lane: You will know the Planning Inspectorate from the point of view of inspectors. I am the lead inspector for infrastructure. I have a number of professional colleagues who also cover appeals and local plans, for example, and we report to the Chief Planning Inspector. We are responsible for professional standards and quality assurance across the inspectorate. As you know, we assess applications for development consent orders for larger-scale projects, which involves giving pre-application advice that we publish on a public register. We also publish consolidated advice, for example, which is aimed to give the

system a heads-up on key issues, and we are about to publish some more of that next week.

We also provide a pre-application service for applicants to the system, which is varied according to the scale and nature of the project and their determination of the need for that service. For that, we use a mixture of case officers and other planning professionals. We do not just employ professional planners as inspectors; we also have them as our senior officers and environmental specialists. We also handle other elements of the system, as was noted. Sometimes, things will come to us through appeals because of a refusal or non-determination through a Town and Country Planning Act 1990 application or via call-ins from the relevant Secretary of State; in this case, it will be the MHCLG (Ministry of Housing, Communities and Local Government).

The intention is to provide a service across the whole system that is relevant and proportionate to the scale of the project. Of course, it is a matter for applicants and their consenting strategy in some cases as to how they present their projects and whether they fall above or below a threshold. Our aim is to ensure we provide a consistent service across the piece in accordance with the relevant policy position.

The Chair: You will be aware that there is some concern about the potential for planning delays causing difficulties in the Government meeting its target for 2030. I wonder what you think the main problems might be in terms of dealing with the applications that are coming in and if there are changes to the system that you think might be necessary. Do you think there is a skill shortage here that might impact the speed of applications being dealt with?

Dr Pauleen Lane: The skill shortage and the question of human resources is an issue across the system that impacts promoters, local authorities, specialist consultancies, as well as the inspectorate, and we take it very seriously. Obviously, we do recruit people from other areas, but we also grow our own through our apprenticeship group, for example, so that we are not just pulling skilled professionals out of the system. We have recently widened our recruitment criteria so we can take people from slightly wider professional backgrounds that are relevant to new technologies. So we do not just recruit planners in the system; we take people from other relevant land use and engineering professions.

In terms of how the system has changed in recent years, some reforms that were dealt with under, for example, the Levelling-up and Regeneration Act 2023 are only just starting to kick in now because major infrastructure projects have quite a long lead time, which I am sure you have all seen and heard in the evidence so far. So those changes, which gave some greater flexibility in relation to how we schedule events, for example, are just taking effect now. We have been concentrating on efficiencies that lie within our own handling discretion. In that respect, we have managed to start meeting slightly reduced timetables, below the maximum of, for example, six months for examination and three months for recommendation. Each time there is a

change to the system, it will probably take between a year and 18 months for you to actually see that impact.

On the other hand, when an end-to-end review was done about three or four years ago, part of its emphasis was not necessarily the very formal part of the planning system but the delays caused by multiple iterations of consultation at the pre-application stage. The Government changed the guidance last year to give applicants clearer guidance about their legal obligations—the things they must do—versus what lies within their own discretion.

That then becomes a matter for their consenting strategy as to how much time they spend in the pre-application phase and what they must do to satisfy the legal requirements—a test we apply when they apply to us—versus what they may choose to do, both in terms of their local knowledge and how they are working with local communities. There is some more discretion in that space, and you probably will have heard from other parties as to how they are considering how to do that more efficiently.

Of course, the other end of the system is the decision stage where the Secretary of State is making a decision, and there has been some record of delays in that space, partly due to uncertainty on the National Policy Statements. We had a big update to the National Policy Statements for energy last January; those are now starting to take effect on the things going into the system and should hopefully improve decision-making. Similarly, we are able to give clearer-cut recommendations off the back of an up-to-date National Policy Statement. So if you look at it as an end-to-end process, there is more discretion for applicants upfront, but they will also benefit from clearer National Policy Statements that are keeping up with changes in technology, for example.

We will try to ensure we meet our statutory obligations—we have basically always met them, except during Covid times when we had one or two slight delays—then aim to ensure we are passing over recommendations to the Secretary of State that are very clearly written as to the criteria they are obliged to take into account off the back of the policy statements in making their decision. There is some potential for changes in the processing system with the new pre-application advice service where we are able to give more proactive advice to applicants, ensuring we meet all our obligations and potentially better them in the handling, enabling Secretaries of State to make more rapid decisions.

The Chair: Are there any other points you would like to see changed in the system?

Dr Pauleen Lane: You will know the Government launched a consultation at the end of last year around some potential further changes in the system. In general, we would welcome those where they give greater flexibility so we are able to be more proportionate in approaches. A lot of the system by which the Planning Act 2008 in particular was set up related to, for example, postal timetables as to

writing things out to people and people having to send them back. Obviously, most of those things are now dealt with online. We have a refreshed interface, which is a more user-friendly website for people to be able to do that much more conveniently. So where we are getting greater discretion, in general, we welcome that flexibility and think there is the potential for that to assist, but obviously it is a matter for the Government what they put forward in the next round of legislative changes.

One thing worth mentioning is that we look very carefully at what we think the causes of delay are in the system, and one area we identified is this question of protective provisions, which is where statutory undertakers interact with other statutory undertakers. If you are looking at grid, it is not in isolation to every other part of the infrastructure system, not least because it physically tends to cross and interface with it as well as service it. Everything from pipelines, water resources et cetera, all interface with each other. We now have almost 150 made development consent orders, each of which will have a particular combination of protective provisions that enable a gas pipeline to be crossed by a transmission line, for example.

They still tend to want to negotiate those at the project level. This is all about delivery in everybody's interests. We think there could be some real potential in the system if all the statutory undertakers taking the lead sorted out a common set of technology and engineering approaches that would make each project simpler. I would like to make that point because it is a source of frustration to everybody that a lot of legal and examination time is taken up with a project-by-project argument on things for which we think almost every possible combination has already been addressed.

Dr Ada Lee: I have two points to add to what Pauleen has just said. On resourcing and guidance, particularly at the local authority level, there is definitely a lack of resources and guidance for planners. At the RTPI, we are doing a piece of research on this at the moment, and we have found there is a lack of guidance on grid infrastructure. While policy is very clear, there are not so many resources for local authority planners to look at and learn about what they need to do and the considerations they need to take into account when they are presented with a grid infrastructure application. Part of our research is about providing that guidance for local authority planners; we are hoping to publish that piece of research by early April.

Another point I wanted to add is about resourcing, but more about resourcing for local communities as well. We are very supportive of the Government's plan to make pre-application consultations more proportionate. At the heart of it, it is also about whether we are giving communities resources so they can engage with the process meaningfully and in an informed manner. Again, that could be improved if it was worked on and communities would have more meaningful engagement

with the system, which would hopefully lead to fewer delays further down the line.

Baroness Valentine: Can I follow up on the local authority point? We now have combined authorities coming into place, and I would have thought some of the strategic issues would now be dealt with more at a combined authority level and less at the local authority, which might deal with the community issues. Can you just comment on what that is doing to the points you are making?

Dr Ada Lee: We are still awaiting more information on that. In the English Devolution White Paper, there is an expectation that strategic authorities will inform the Regional Energy Strategy Plans going forward. But how that interaction is actually going to work out and how future strategic plans and spatial development strategies, for example, are going to interact with SSEP (Strategic Spatial Energy Plan) remains a question.

The Chair: That could cause delay as well, potentially.

Q52 **Baroness Harding of Winscombe:** As you have referenced, the Government have made a number of proposals to speed up the planning system, including for energy infrastructure. Do you believe those proposals will achieve their intended aims? If not, what further actions would you like to see from the Government?

Dr Pauleen Lane: Because I am with the inspectorate, we do not comment directly on policy, so apologies from that point of view; we have to be independent. We will ensure that we operate those elements that lie within our discretion as efficiently as possible. That is why I said where we have flexibility we can exercise that discretion appropriately but still ensure that we respect people's human rights and that we have proper engagement. As I said, we welcome where there is a potential element for more flexibility so we can match the process to the project. The system was designed for very large projects; not every project that comes into the system is quite of that scale, so it is better that we have that flexibility wherever possible.

The key thing is to be thoughtful about what you codify in different elements. Law—for example, the Planning Act 2008 and the thresholds—has been changed a number of times, but technology changes at quite a pace and it is quite difficult for primary legislation to keep up with those things. Where you have a choice of bringing in new arrangements, it is quite helpful if you are very thoughtful about what you codify in primary legislation, which should be the big, core principles, what you put in secondary legislation, which is then potentially easier to update, and what you put in policy, which then makes it—ideally, if you keep up that policy—easier to keep pace with changes in the system.

Our main message to Government would be to welcome flexibility but also ensure that this is not a one-and-done. The pace of change is so significant that you actually need to think about creating a system that

will keep up with the pace of change while still respecting core fundamental principles about the way you make sensible decisions on land use planning, for example.

Baroness Harding of Winscombe: I appreciate the line you have to tread. Dr Lee, would you be able to answer more directly whether you think the proposals will achieve their intended aims?

Dr Ada Lee: We are generally very supportive of what MHCLG has recently laid out in its working paper on streamlining infrastructure planning. Further supporting Pauleen's point on flexibility, we particularly welcome the proposal of the lighter touch approach to updating National Policy Statements. If it is not a very big, material change and is just responding to other legislative and policy changes, there should be a more streamlined way to update National Policy Statements.

The other thing is post-consent flexibility. Currently, it is quite difficult for an applicant to make changes to what has been agreed after consent has been granted. Sometimes, these constraints to changes prevent better outcomes from happening; even if they want to improve on something, it is really difficult to bring about those changes, so we particularly welcome these proposals. We highlighted several caveats in our response to that working paper. Our full response is on the website, so I will not go into detail here, but we are concerned about the suggestion of using more deemed consents, for example.

We talked a little about what sort of changes we want to see in the system. Apart from what was recently proposed by MHCLG, one very positive turn is the development of SSEP. At the same time, there is a concern about the methodology being proposed for SSEP. In particular, we found the proposed methodology very deterministic and reliant on modelling. If the intention is to plug SSEP into the planning system, with such a deterministic methodology, it will be a challenge for that to be fully integrated with the planning system.

Ultimately, planning is an art and a science, and modelling is very often just one part of our consideration. We feel the current proposed SSEP methodology does not take into account a range of considerations: social, environmental, community engagement et cetera. We look forward to the development of SSEP and its publication, but we hope there will be some more refinement in terms of its methodology.

Baroness Harding of Winscombe: Neither of you have mentioned community incentives or benefits yet. What form of community incentives or benefits do you think might best enable grid expansion? Is there a need for community benefits to be compulsory rather than voluntary, for example? How should decisions be taken as to what those benefits should be?

Dr Pauleen Lane: The planning system already includes arrangements for both mitigation of impacts and compensation to parties where they have a directly affected interest, such as an effect on their business; that

is well understood in the system. I am not entirely certain that individuals understand the impact on them as well as possible; that might be something about improving explanations to people about how they can make a claim if they are an affected person, for example. That is appropriate.

Similarly, you have a well-established system of Section 106 agreements in the Town and Country Planning Act 1990 in terms of benefits that can be quantified and then appropriately used in the weighting of the benefits and disbenefits of a potential application. It is not really appropriate for the inspectorate to be able to judge things that might stray more into the question of financial incentives or other types of issues; we genuinely think that is for the regulators to set up if they wish there to be that sort of system. We would then have to be very thoughtful about the way you brought that into land use considerations, which is essentially the part we are doing.

Many of these projects will have very, very long lifetimes. It is important that the impacts over the whole lifetime are understood. We are the new Victorians. We have relied for so many decades on Victorian infrastructure, and we are creating new infrastructure. We need to be thoughtful that we do not skew a system to give a short-term fix when generations will live with the consequences. So our point of caution would be that we are well-placed to make judgments that relate to the actual projects and impacts; there are systems for doing that. We can probably improve the understanding and education around that, but short-term fix is not really our business. If it is a matter that the industry decides it can do, that will need to be accommodated within the regulatory framework.

Dr Ada Lee: Pauleen mentioned compensation, and you mentioned incentives and benefits, so it would be helpful to take a step back to differentiate between the three. Compensation can be dealt within existing statutory provisions, as Pauleen has mentioned. Incentives is normally a term that refers to financial gains provided to private individuals and does not concern public goods, placemaking, the environment, or issues more widely regarded as planning-related. Some examples include bill discounts or direct monetary payments to individuals; I would group those as incentives. For community benefits, we are really talking about something long-term that generates social value and that includes, for example, funding for public and environmental goods or joint ownership arrangements.

Currently, not only are community benefits voluntary—there is no compulsory requirement for applicants to provide community benefits—but even if an applicant wants to provide community benefits, they cannot form part of the planning decision because of what we call the Newbury principles, which state that only factors directly related to the project concerned can be considered in a planning decision. This has created confusion among developers and communities. At the RTPI, we believe there is scope to review the Newbury principles so that

appropriate benefits—really long-term measures that would generate social value—can be considered part of the planning application.

I will go a little more into the downside of incentives. Why do we not support incentives such as bill discounts and cash handouts? Mostly that is because the measures go against the planning principles that planning gains should only be directed towards things that generate social goods. These measures can also be very divisive, for example, along the line of economic needs, geographic boundaries and timescale of ownership. Although Government has expressed interest in exploring those routes, we feel there is a risk associated with providing financial incentives to individuals.

More broadly, the RTPI supports a review of the Newbury principles and a provision of better policy and guidance so that applicants know what sort of community benefits are good for long-term use, what sort of benefits communities can expect out of a project, and how they can achieve long-term stewardship of the project.

Dr Pauleen Lane: Could I just link that point back to a couple of the other points you have made? We have had examples of agreements between applicants and local authorities around skills training for very large projects, for example. They are such a pull on the labour market that, having integrated with the project, an approach to skills training is really important. It aids the delivery of the project and benefits the community. We can take account of things like that, and local authorities that are empowered—particularly if working together on a large project—can come up with these kinds of proposals, which they can facilitate and which help to address multiple issues. That is an example of an appropriate good that benefits the project, the wider community, and the longer term.

Lord Teverson: Coming back to what you were saying about flexibility for the Planning Inspectorate, one characteristic of applications for things like solar farms and other applications is you find they go in at 49.5 megawatts, so you have a cliff edge here. That suggests to me that there is an inherent inefficiency necessarily; because of bureaucracy, people stop at a certain level rather than what could be the best outcome. What is the reason for that, and is that part of the flexibility argument you are talking about? Can we get that right?

Dr Pauleen Lane: The original Planning Act 2008 thresholds across a range of infrastructure were drawn largely to try to comply with environmental impact assessment as to the Schedule 2 list of things that had a certain level of impact and therefore required an environmental statement. Those have been revised over time, not least because, on average, technology is capable of generating more with the same or less impact, so it is appropriate that things like thresholds are reviewed over time.

We have always had Section 35, which enables people to opt into the system if they apply to the relevant Secretary of State, but you are

absolutely right; we had a very large number of solar farms coming forward at just under the 50-megawatt threshold. The Government have announced they are amending that as part of this review. One proposal they are looking at is to amend Section 35 so you can opt both in and out. Flexibility like that can be helpful because it stops gaming of the system. Nobody wants gaming of the system; everybody wants an efficient, fair system that encourages appropriate levels of assessment. So people are not trying to avoid things but are actually addressing the issues.

In the inspectorate, we train inspectors to deal with solar projects across the piece. We have a common training core of how we train inspectors, for example, whether a project comes in just under or over threshold in relation to solar thermal.

In general, it is better to have systems that keep up with technology and allow a degree of flexibility. You do not want gaming—you want efficiency. That is an example of exactly that point, where some degree of discretion and flexibility is probably helpful. On the other hand, there needs to be a very open mechanism by which communities who might be affected by a scheme would have some understanding as to which consenting route it might eventually end up in, and that they do not get disadvantaged by a sudden switch by an applicant, for example. It is on all of us to ensure the system is fair and proportionate.

Q53 **Baroness Drake:** My question is focused on the resources and skills in planning authorities and statutory consultees. I know you have both referred to that in your responses to previous questions, but could I ask you to add to those comments on the particular issue of whether, in your view, planning authorities and statutory consultees have the necessary resources and skills to progress planning applications in the timely manner that is now sought or needed?

Dr Pauleen Lane: We know there are significant constraints in that area, both in local authorities, partly because of the overall financial position of local authorities but also because of the underlying issues on certain professional skills, and several of the major statutory consultees, which is an area of concern for us all. We have attempted to identify elements of the work that we can codify, standardise and give better advice on so that we make more efficient use of the available resources. For example, we have a clear distinction between where people might prepare a statement of common ground with a statutory body or a summary of their areas of disagreement and attempt to have a standard approach to those that would make it easier for bodies such as Natural England or the Environment Agency to have a common set of responses where that is appropriate.

Again, it is on all of us to think very carefully about how we put demand on the system versus what is necessary for efficient decision-making, and we are looking at every part of our element of the process as to how we do that. It is a problem that is not easily solved, but the Government have directed some more resources down each route. My colleague might

want to comment a little more about local authorities in particular, but we do recognise this is probably going to be an ongoing challenge, and therefore it is up to all of us to ensure we make the most efficient use of resources.

Dr Ada Lee: I have two pieces of information to add to my previous answer. The RTPI has found that a quarter of planners left the public sector between 2013 and 2020, and a recent MHCLG survey has found that 45% of local authorities reported a skill shortage in climate and energy. These numbers tell you there are really severe resourcing issues within local authorities. Adding to that is the expectation for planners to specialise, particularly as we are seeing an increase in energy-related applications. With that sort of expectation, again, you need resourcing and guidance and to provide them with training materials so they can catch up with all the technology developments; this is currently lacking.

Nationally Significant Infrastructure Projects (NSIPs) tend to focus in several areas, and there is only actually a very small group of local authority planners that have direct experience with major projects, so that sort of skillset needs to be shared around local authorities. In the last NPPF (National Planning Policy Framework) consultation, the Government hinted that perhaps they would think about introducing full-cost recovery for local authorities that engage in the DCO (Development Consent Order) process, which we would very much welcome.

Baroness Drake: To meet this resource need and get everything done in a timelier manner, the funding has to come from somewhere. What is your view as to whether it should come from increased planning-related fees and/or increased public funding?

Dr Ada Lee: In an ideal world, local authorities' funding should come from general taxation, but at the same time, we know—particularly for larger projects—planning fees actually make up a very small proportion of the total cost of the project. I do not think industry would have a massive opposition to introducing full-cost recovery through planning fees for local authorities as long as it actually improved planning services. The current problem is that planning fees are not ring-fenced, so even though planning fees have increased, that does not necessarily go back to local authority planning services. We have heard that some developers could be quite frustrated that fees have increased but services have not actually improved.

Baroness Drake: Would you like to comment on the extent to which the 2023 increase in planning fees had an impact on authorities' capacity to progress applications? You have made the point that it is not ring-fenced, so the assets have not necessarily gone there, but would you add any other comments to that?

Dr Ada Lee: I have just one little comment. To an extent, the 2023 increase has improved local authorities' funding in general, but—going back to the ring-fencing point—that has not directly improved planning services. The increase was announced in 2023, but it actually only came

into force in 2024, and it was a little too late, because some local authorities had already announced staffing cuts in the next financial year. So that was a concern for us.

Baroness Drake: Can you add anything to that, Dr Lane?

Dr Pauleen Lane: I cannot give a direct answer because I do not know in general terms, but we know there are serious constraints on local authorities. For example, it is a particular issue when a local authority is put into special measures and its engagement in some of our processes—particularly for the DCOs—is not a statutory requirement. It has therefore been difficult for the special measures approach to continue to facilitate the engagement of those local authorities. There is an issue that the planning system relies on there being funded local authorities and local plans, for example. If one part of the system does not permit that to happen well, that makes the overall system weaker, so it needs to be thought about across the piece.

Q54 **Lord Best:** I would like to declare an interest as an honorary member of the Royal Town Planning Institute, but my question is probably more relevant to Dr Lane's side of things because it is about the Nationally Significant Infrastructure Projects, which your Planning Inspectorate look after.

A couple of years ago, there were quite a lot of recommendations for improving the situation and speeding things up. You have talked a bit about the changes and hinted at any rate that things have got a little better, but perhaps not dramatically so. What more can be done? We have a 10-year infrastructure strategy supposedly coming out in June. Feeding into that the Government's own strategy, what further improvements would really make a significant difference? You have mentioned increased flexibility and discretion, which sounds good but possibly needs just a little elaboration.

Dr Pauleen Lane: Probably the most significant issue from our point of view is ensuring that the National Policy Statements are kept up to date, because the foundation of the Planning Act 2008 is that there are current appropriate National Policy Statements.

Lord Best: They are at the moment—we have just had revisions.

Dr Pauleen Lane: We have just had an update on the energy section, but, for example, they do not provide full coverage on some emerging technologies; if we were to wait even another five years to do that, that still gives you a gap in the process. So the ability to do updates to them—either because other legislative changes have an impact, for example, ensuring that a new piece of environmental legislation is correctly incorporated into the NPSs on a fairly regular basis, but also, as I said, to keep up with changes in technology—is probably the single biggest issue from our point of view.

From the point of view of flexibility, it is about proportionality and includes this point about being able to opt in and out of different

consenting regimes so applicants can understand what is the most appropriate route by which they could seek to achieve a consent, and communities and affected people can understand what that might mean for them, which is probably very helpful in terms of flexibility.

In terms of the system as a whole, getting good, efficient, up-front consultation is right, and we have published some advice in that space. The Government have updated their guidance, and we are about to publish some further advice, particularly for linear projects, which is very relevant to grid issues. Getting the system to work together as a whole but understanding how each of those elements needs to be kept current is really important. For example, getting DESNZ (Department for Energy Security and Net Zero) and MHCLG to work in lockstep—MHCLG are the custodians of the planning system and obviously DESNZ is the priority in terms of energy—and ensuring that all the different elements of it are kept as current as possible is the best—

Lord Best: How many times have we heard that?

Dr Pauleen Lane: I know. We have had some good examples of that, and an increasing feature of projects is that we are starting to get NSIPs coming forward in other areas that include their own energy generation and/or storage. That is an important point, especially if they themselves are quite heavy energy users or have large land assets, for example, or large areas of roof space; they reduce demand on the system as a whole. At the moment, if you have, for example, a transport project that then wants to incorporate solar panels on its roof, the system is a little clunky because it was designed, as it were, for standalone projects. We are working very hard to ensure that we can cope with that and that we then get joined-up decision-making at government level around it. As I said, the system is changing rapidly, the financial incentives mean that there are trends to move the system quicker, and it is really important that Government, policy and process keep up with that.

Dr Ada Lee: I would add something about the 10-year infrastructure strategy. The Treasury has recently published a working paper on the plans of what it is trying to include in that strategy. One particularly positive thing is that it has the intention to make that strategy a spatial one. Part of the delay in the system is that even though the principle of development has been agreed, the location has to be debated on a case-by-case basis. So it is really positive that there is an intention to make the 10-year infrastructure strategy spatial.

Another really positive aspect is that it intends to introduce a mechanism to align between different plants. More broadly, we know that the Department for Environment, Food & Rural Affairs is developing a land use framework, the SSEP is under development, and we also know there is a government commitment to expand this strategic spatial approach to planning to other infrastructure sectors. Going forward, it is really about how we manage all these different plans and introduce a co-ordination mechanism that resolves conflict, so we have a more coherent picture. We know that spatial planning is very important in infrastructure plans,

but the plans should not be complicating the system. The risk is that if you have multiple different plans, it might end up complicating the system rather than helping it.

Lord Best: A couple of years ago, the National Infrastructure Commission (NIC) recommended measurable targets for reducing consenting times. How does this sound?

Dr Pauleen Lane: We have no objection to measurable targets. In that sense, we operate within a statutory framework for targets. I think we are the only bit of the system that actually has statutory deadlines—and we basically meet those, so I do not think that is a particular problem. As I said, the issue will be in the pre-application stage, which is where the applicant has some discretion. There are definitely areas that could be improved in that, and we are all concentrating on ensuring we give the best possible advice in that space and, as I said, in the decision timetable, because we have had a lot of extended decision periods.

Lord Best: It would help there.

Dr Pauleen Lane: Of course, I also note the Government have put forward proposals to simplify the judicial review system. I will not speak negatively about that because we live in a world of law and policy and that is entirely correct, but there are some areas of potential inefficiency in there. Getting greater clarity sooner about what the issues actually are would be generally helpful to everybody, so that is probably also welcome.

Dr Ada Lee: The NIC's recommendation was prompted by its observation that so many NPSs were so out of date that there was a lack of initiative within some central government departments to prioritise planning. From that perspective, measurable targets to reduce delay as a whole—co-ordinated by the very centre of central government—would be very positive, but if these measurable targets are to be extended to local authorities, it again comes back to the question of resourcing. You can set as ambitious targets as you want, but whether they have the resources to deliver those targets is another matter.

Lord Best: Resources have to go with it.

Q55 **Viscount Thurso:** Dr Lee, could I perhaps come to you first? The National Planning Policy Framework was updated in December 2024. Is that sending a greater signal to local planning authorities that they should approve new energy infrastructure in their areas? Do you expect these energy projects will now find it easier to move through the planning system?

Dr Ada Lee: In the revised NPPF, it is now stated that when determining planning applications for renewable and low-carbon energy developments, significant weight should be given to their benefits. There is definitely an expectation that projects will benefit from much clearer guidance in policy. There is now greater policy certainty and developers definitely see that.

The other main change to the NPPF is the lifting of the de facto onshore wind ban, and Government have also indicated that they intend to reintroduce onshore wind into the NSIP regime. All in all, recent policy changes have sent a very clear signal that there is now increased policy weight for renewable energy infrastructure projects. However, with these changes there is also the caveat that we do not drop community engagement—because I have also heard developers saying that, now there is more policy certainty, maybe we can drop some aspects of community engagement. The caveat that I would make is that it is really important that we bring communities with us in this transition to clean energy so that we do not get a backlash further down the line or further delays.

Viscount Thurso: I should probably declare my interest in that I am involved in several wind farms in Scotland and have experience of the planning up there, but not in England, which is a different system. What one always bumps into is that basically everybody is in favour of renewable projects except next to their house; that is the tension that always exists within local planning, particularly as opposed to when you get above 50 megawatts and it becomes national. Do you think this sends a signal to both sides of the equation, both the developer on one side and the local authorities and the councillors who will sit on the committees on the other side, and therefore will there be a meaningful public engagement? Is the signal strong enough to both sides of the equation?

Dr Ada Lee: For a planner, you weigh up what is presented to you and present that to the committee. So if there is a stronger policy weighting, that should be a clear enough signal.

Viscount Thurso: Should there be more support for giving energy networks greater ability to use permitted development rights?

Dr Ada Lee: Just last Friday, the NIC published a report on distribution networks in electricity in which it proposed relaxing some permitted development rights for grid infrastructure, particularly at the very local scale. Those recommendations are very well considered, and we have no objection to them. Generally, the weakness of permitted development rights is that there tends to be very little local control and very little scope for local authorities to tailor those to their local circumstances. For example, we see a lot of unintended consequences related to that in housing, such as very low-quality homes being delivered through permitted development rights. Any expansion of permitted development rights warrants very careful consideration of whether that is necessary and the best tool to use.

Dr Pauleen Lane: It is a really good example of where you need to have a holistic approach. For example, taking account of the fact that we are dealing with technology rather than just construction as it were, if you want to expand permitted development rights it can work quite well, provided that you can scope correctly what the scale of impact is for the domestic level or small-scale community level type of permitted

development rights. With the way that is managed, for example, what is the expectation on noise levels that come from a heat pump? That is a matter that also engages the technology and scientific community as well as the regulators. There is a very important position for permitted development rights.

A lot of the Clean Power 2030 Action Plan relates to, for example, household and business level demand on the system. If you want people to be able to respond to those incentives, it is more feasible for them to do so if they can do it within something like a PD system, or similarly, the operators will say the same in terms of their construction arrangements. So you can make it work; you just need to ensure that you have a view of the whole thing and you understand that, in giving almost a blank cheque to somebody, you understand the level of impact it will have and what mitigations could be rightly demanded as part of the PD process. There are always solutions to problems; you just need to make sure they are in the right place and that the regulators in particular agree that those are an appropriate part of the system and of the funding formula, for example—so, exactly as your remit is, making sure that the system as a whole does it well.

Q56 **Lord Teverson:** Perhaps I could first declare an interest. I chair a battery storage company, all of whose applications are under 50 megawatts. You have mentioned a couple of times, and I would like to explore a bit further, the SSEP and the other plans that are being looked at by NESO at the moment. The SSEP is around generators or whatever, and then you have the Centralised Strategic Network Plan around grids et cetera, and the regional ones.

You have me quite scared, Dr Lee, in that rather than this being a silver bullet—once we are free and have lots of clarity and we all know where to go—you have persuaded me that this just makes the whole thing entirely more murky and that it is going to make it all a lot more difficult. How do you see it yourself?

Dr Ada Lee: I definitely support the development of SSEP. It has great potential to improve clarity in the system, particularly on potential occasions for development. If done well, a Strategic Spatial Energy Plan will help communities to engage with the system more effectively, because they would be able to plan more proactively for the infrastructure that might land in their area. So it is a really positive tool, if done well.

We need a little more clarity on how SSEP is going to be integrated into the planning system. We know the ambition is that the SSEP will become part of the planning system, but in order to do that, there also needs to be an understanding of how planning works in general. For example, we take into account a very holistic set of considerations in planning. It is not only about economic modelling and thinking about what sort of net zero pathways we are going through; it is about community engagement and how we make this a useful tool for communities so they can get the best out of these projects coming their way. In general, we are very

supportive; it is a very positive move, but we are just waiting for more information and hoping for a little refinement in terms of methodology.

Lord Teverson: Does it not also look a bit like ultra-central planning, not quite Soviet-style, but towards that? Does it not ignore the market and say this is a systems approach?

Dr Ada Lee: No, I would not agree with that. What NESO is saying is not going to dictate where projects are going to go; it is about mapping out where the best locations for these developments might be. It is really clear that it is going to be just outlining areas of possible developments rather than dictating decisions, so I would not agree that it is completely overriding the market-led system. If you talk to developers, they very much welcome that as well; they feel that is going to help them with their decision-making process.

Lord Teverson: Can I just comment on the regional energy plans? When I looked at the background of this, I saw that the areas or regions were based on transport regions. They are rather weird regions in terms of what normally is seen as the regional areas of Government or combined authorities. Is that the best way? Why are they not around Distribution Network Operator areas or the combined authorities that the Deputy Prime Minister is looking at?

Dr Ada Lee: I suppose that part of the challenge is that strategic planning in England at the moment is practised in a very fragmented way, because we have not had regional strategic planning for a very long time. SNTBs (Sub-National Transport Bodies) could be the closest to formal strategic planning at the moment, so I suppose that is one of the reasons why they would choose that.

Lord Teverson: You do not sound convinced, but there we are. Is there anything to add at all, Dr Lane?

Dr Pauleen Lane: EN-1[1] recognises already that there is the potential for spatial planning, so we can take account of it when it gets to an appropriate stage of development, which is fine. With the alternative that we have had for the last 10 years, which is solely market-led, we have ended up with some difficult issues. Particularly in communities that have had crossovers of connectors for offshore wind farms, you can see why having a core strategy for network planning is really helpful, so you get less interference in people's lives and the countryside. We have tried it one way and it delivered very substantial increases in generating capacity very quickly, which was worthwhile, but maybe we have also learned there are some better ways of doing it.

We are engaged in a very significant change of process here, away from a grid system and a set-up based around coal—in terms of where the areas of concentration and the capacities were—into much more

[1] The overarching National Policy Statement for energy which provides planning guidance for developers of nationally significant energy infrastructure projects.

distributed and multidimensional systems, and you either just let that happen to you or you attempt to do something about it. In general, the planning system works well if you at least put some parameters around things. There is a mechanism for us to take account of it. We have already experienced one version, and I hope that any future arrangements will have a degree of rationality to them that makes the best of difficult decisions for everybody, but at least there is a process in which people can engage.

Lord Teverson: We hope you are right. Thank you.

The Chair: Well, you have given us a great deal of information there at a time when there is so much changing. One of the difficulties you have been outlining is that so many things are changing at the same time. It is about how you get that co-ordination that you have talked about. It has been very interesting to listen to you both, so thank you very much.