Prepared by Pathways to Growth (P2G)
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OffshoreWind IndustryCouncil

Policy and Legislative Barriers to Offshore Wind Consenting

AECOM CONSULTING

Deloitte.

Foreword

We are delighted to publish this report commissioned by the Offshore Wind Industry Council (OWIC) Pathways to Growth programme and delivered by Aeos and Deloitte, which comprehensively illustrates the policy and legislative barriers to consenting offshore wind in the UK.

The offshore wind industry provides the backbone of the UK's future energy mix, and its success has put the UK as a global industry leader for more than a decade. Offshore wind is crucial for achieving net zero targets, addressing climate change through decarbonisation whilst protecting our marine ecosystems.

However, the complex policy and legislative landscape, combined with multiple pressures on our marine environment are making it increasingly difficult to consent and build offshore wind in the UK. It is therefore essential that an enabling "system architecture" for the deployment of offshore wind is created.

This report highlights that there is misalignment of the four central keystones of offshore wind: the "system architecture" comprising **marine spatial planning, seabed leasing, planning and delivery of the electricity grid, and financial support mechanisms**. Currently these pillars do not provide a firm foundation for consenting. This is creating an increasingly precarious future for offshore wind in the UK.

We endorse the report's recommendations that a coherent system architecture can be achieved through better central coordination across government throughout the UK that will provide the enabling framework for on-target delivery of offshore wind. It is essential that the framework is underpinned by strategic guidance, alignment with the National Policy Statements and government workstreams such as the Offshore Wind Environmental Improvement Package, and with Devolved Administrations consenting frameworks.

Due to the fast-paced nature of ongoing policy reforms now underway, the report presents a snapshot of the position up to the final quarter of 2023. Since then, multiple workstreams have been progressing across central government departments and the Devolved Administrations, all aiming to improve offshore wind consenting. Reforms that the offshore wind industry are actively engaged in include the implementation of Defra's Offshore Wind Environmental Improvement Package (OWEIP), reforms of the Nationally Significant Infrastructure Planning (NSIP) system and development of a National Marine Plan 2 in Scotland, and many more.

There is an evident need to bring these elements together in a coherent way, and so we are delighted to see the development of a Strategic Spatial Energy Plan (SSEP) by the National ESO, launched earlier this year. This has the potential to deliver on the report's recommendations, alongside central coordination by governments across the UK.

The offshore wind industry has a vital part to play in achieving these outcomes and is already making significant contributions through the development of strategic compensation and enhancement of the marine environment.

We are committed to working collaboratively with all stakeholders to facilitate the sustainable development of the sector. Implementing the recommendations will form an integral part of the OWIC's programme of work moving forward.

Thank you to all the participants involved in this study and to the ongoing engagement with the Pathways to Growth Coordination Group. Thank you to the OWIC Developer Group for endorsing the report and its recommendations.

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1 Introduction

1.1 Background

The Offshore Wind Industry Council (OWIC) Pathways to Growth ("P2G") programme is the Offshore Wind Sector Deal's workstream focussing on identifying and addressing the key environmental and consenting challenges that will be a barrier to the UK meeting its offshore wind 2030 ambition and the delivery of Net Zero.

The P2G Coordination Group[1] (P2G CG) brings together central government representatives, Statutory Nature Conservation Bodies (SNCBs) and industry, across the UK's Devolved Administrations, to work together in partnership.

The P2G CG identified a priority list of the most significant environmental and consenting challenges to the successful and timely delivery of offshore wind projects. One of these priorities relates to the policy and legislative framework associated with the consenting process. The framework currently presents a high level of uncertainty over consenting outcomes, including the duration from project inception to the granting of consent.

P2G team commissioned Deloitte and Aeos Consulting to deliver a study to:

- Identify and categorise the main types of planning and consenting challenges facing offshore wind (both fixed and floating foundations) with input from developers, SNCBs and regulatory bodies;
- Identify the relevant legislation and planning policies to the agreed challenges and explain how they influence the offshore wind consenting processes;
- Assess the potential for recent and ongoing reforms to address these challenges;
- Identify and analyse wider areas of legislation and policy which present challenges but which have not been addressed in the reforms to date; and
- Make recommendations to address identified challenges to support the implementation of Net Zero targets and the outcomes of the British Energy Security Strategy (BESS).

Because of the pace of ongoing policy and reforms it was agreed that this study would present a snapshot of the policy and legislative position in the final quarter of 2023[2] .

1.2 Approach and methodology of study

The study was stakeholder-driven, following a methodology agreed with the P2G team.

Firstly, the review was scoped through workshops which included a strong jurisdictional element (at the level of the Devolved Administrations) to ensure that regional variations and challenges were appropriately identified. In addition to the jurisdiction-based workshops, a developer workshop was held to identify any overarching commercial concerns which the study should address.

1 The Pathways to Growth Coordination Group membership consists of: The Department for Energy Security & Net Zero (DESNZ), Department for Environment, Food & Rural Affairs (DEFRA), Scottish Government, Welsh Government, The Planning Inspectorate, Marine Management Organisation (MMO), Joint Nature Conservation Committee (JNCC), Marine Scotland, Natural England, Natural Resources Wales (NRW), NatureScot, Department of Agriculture, Environment and Rural Affairs (DAERA), The Crown Estate, Crown Estate Scotland, RenewableUK, Scottish Renewables, EnergyUK and offshore wind developer representation.

2 The Strategic Spatial Energy Plan (SSEP) was unveiled in December 2023, too late to be included in the scope of this report. The SSEP is intended to be a spatial energy plan which sets out what needs to be built, where and when in order to accelerate network investment and connect offshore wind projects. The Plan's role in relation to leasing, planning and consenting across the UK must be confirmed and clarity is also needed on how the SSEP will interact with the MSPri programme.

The detailed review of the relevant policy and legislation was carried out over summer and autumn 2023, following which its preliminary findings were tested through further stakeholder engagement.

1.3 Preliminary stakeholder engagement and scoping

Targeted mapping of stakeholders with key roles in the consenting and development of offshore wind projects in the UK, including developers, regulators, and key statutory stakeholders across the Devolved Administrations took place, with 116 individuals invited to engage with the study, either through workshops or questionnaires.

1.4 Scoping outcome - improvements to system architecture required

The overarching theme arising from the initial stakeholder engagement related to the "System Architecture". This term is used in this report to mean the legislative and policy frameworks governing the relationship between all the elements of an offshore wind project. Those frameworks include those operating in both the marine and terrestrial environments and across the whole lifetime of a project.

Stakeholders felt strongly that improving the system architecture across the UK would deliver a more efficient route to achieving decarbonisation targets, and 50GW of offshore wind by 2030. It should be noted that the consensus was that, generally, new legislation would not be required to improve this architecture; in England and Wales the legal structures were considered to be adequate but that coordination between the different elements was not currently effective. In Scotland some limited legislative changes, primarily in respect of s.36 Electricity Act 1989, would be beneficial, as already identified in other policy reviews.

Within this overarching theme, issues of co-existence and strategic spatial planning were dominant, an acknowledgement of the challenge of balancing the different priorities and expectations of marine interests. Attendees felt that the relative **immaturity of the marine spatial planning process** in the UK was hindering progression through the absence of clear marine plans, no clear mechanism for prioritisation and a very weak policy framework to enable co-existence where it may be possible.

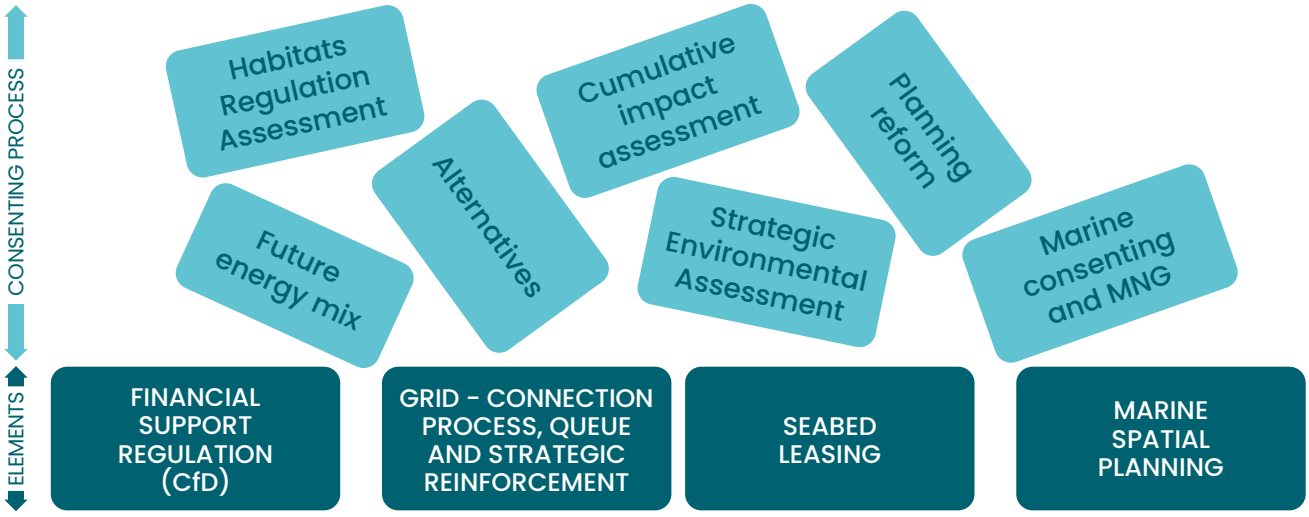
Related to this, the **operation of seabed leasing** in the UK, and its historical lack of alignment with the strategic spatial planning process, resulted in periods of "boom and bust" with periods of intense potential conflict between interests (e.g. nature conservation, fisheries) punctuated by long periods where the resolution of such conflicts was left to developers, primarily through non-strategic (i.e. project-level consent application) processes. A greater level of integration between leasing and consenting is required. Plan-level assessments should be capable of establishing the principle of development within leased areas and identify potential consenting challenges, frontloading their resolution.

The Crown Estate's Round 5 Celtic Sea leasing process was highlighted as an improvement in this necessary alignment between strategic planning and leasing. It represents a more measured, evidence-led and strategic leasing programme, compared with, for example, Scotwind, which although responding to market demand was poorly aligned with the Sectoral Marine Plan findings and capabilities of the consenting process.

The absence of a strategic approach was also highlighted in respect of the **planning and delivery of the electricity grid** and the processes by which projects connected to the grid, such as Offshore Electricity Transmission (OFTO) assets, Holistic Network Design (HND) or Bilateral Connection Agreement (BCA). The lack of alignment between marine spatial planning, seabed leasing and the planning of grid infrastructure was considered to be particularly pronounced.

The **financial support mechanism** for projects, in the form of the Contract for Difference (CfD) is seen to work well in enabling offshore wind delivery at competitive prices to consumers but was a further element of the system architecture which functioned poorly in the context of the wider leasing, project development and grid connection processes, due to the lack of strategic alignment. The "boom and bust" nature of seabed leasing, and hence the consenting pipeline, was not aligned with the drumbeat of the CfD rounds, although it was acknowledged that commitment to regular auctions would improve the operation of this element in the longer term.

These four mis-aligned elements, namely CfD, grid, leasing and marine spatial planning form the key building blocks of the system architecture associated with the consenting of offshore wind projects. This "keystone" status, illustrated in the figure below (bottom row of blocks) and their current misalignment is resulting in the faulty super-structure of the consenting process above this baseline.



Examples of the effects of this lack of overall coherence of these activities, or faulty superstructure, are most notable in the failure of the marine spatial planning system to resolve conflicts with nature conservation interests - particularly in respect of cumulative impacts on protected sites designated for ornithology. Rather than address these challenges spatially at a strategic level, it has been left to individual leaseholders to resolve Habitats Regulation Assessment (HRA) issues, resulting in significant delay to consenting decisions. Stakeholder responses, summarised in **Appendix 4**, highlighted that the alternative cases necessary to deliver HRA derogation have not been coordinated, requiring developers to produce them individually. In particular in Scotland, the misalignment between the ambition of the Scotwind leasing round, the absence of clear targets for offshore wind contributions to net zero and the limited plan-level HRA informing it, are likely to cause long-term consenting delays.

Other consenting challenges including cumulative visual impact of onshore infrastructure are the product of similar misalignment - in this case between the timing of leasing rounds and grid planning and connection processes.

Stakeholders also highlighted conflicts between fisheries or shipping and offshore wind as an issue which is not sufficiently addressed by strategic spatial planning, with sectoral led approaches poorly aligned with marine spatial planning best practice – which generally adopts a multi-sectoral approach.

1.5 Challenges exacerbated by absence of policy coordination

Developers particularly emphasised that the lack of collaboration and coordination between different regulatory bodies resulted in delays to consenting and significant uncertainty increased project risk and investor confidence that better co-ordination between responsible government bodies was required to improve consenting processes, as detailed in **Appendix 4**, stakeholders felt to make them more efficient and predictable.

This lack of coordination also extends to regulatory reform, further increasing uncertainty in the sector. This is most evident in respect of the proposed transition, currently paused, from Environmental Impact Assessment (EIA) to Environmental Outcomes Reporting (EoR). Focus on procedural reform to deliver proportionate EIA (for example through guidance on scoping) would be more effective for the consenting process than wholesale reform. The lack of coordination is also apparent in broader policy targets and goals and on matters such as Biodiversity Net Gain (and emerging rhetoric and guidance on Marine Net Gain), Devolved Administration policy powers and the revised energy National Policy Statements ("NPS").

1.6 No case made for significant reform of primary or secondary legislation

The deep dive study and stakeholder engagement confirmed the preliminary findings that there is no need for significant reform of primary or secondary legislation to deliver an efficient consenting process for offshore wind capable of supporting the transition to Net Zero.

It was considered that most of the necessary elements of the consenting regime were present, fit for purpose and well understood.

However, the engagement concluded that the building blocks of the consenting system need to be aligned and coordinated; in essence the "system architecture" requires an architect. Ideally the "architect" should operate at the national (GB) level but there is also the need for coordination at country level, and particularly in the level of contribution towards low carbon generation required from each devolved jurisdiction to unlock the UK-wide Net Zero targets.

Fundamentally it was agreed that there is no need for wholesale reform, but that there is ample room for improved coordination and robust guidance to facilitate offshore wind development and achieving net zero.

Furthermore, participating stakeholders felt that a long-term pipeline of projects is the only way to deliver Net Zero by 2050. As such, more predictable and faster consenting processes are needed.

The exception to this conclusion is in respect of the s.36 Electricity Act 1989 consenting process in Scotland, which is already to subject of reform proposals.

It should also be noted that the findings of both the Independent report of the Offshore Wind Champion (the "OWAT recommendations") from March 2023 and the Electricity Networks Commissioner's report of August 2023 (the "Winser recommendations") remain highly relevant and central to the delivery of offshore wind ambitions – those recommendations themselves highlight the need for wider strategic planning.

1.7 Recommendations

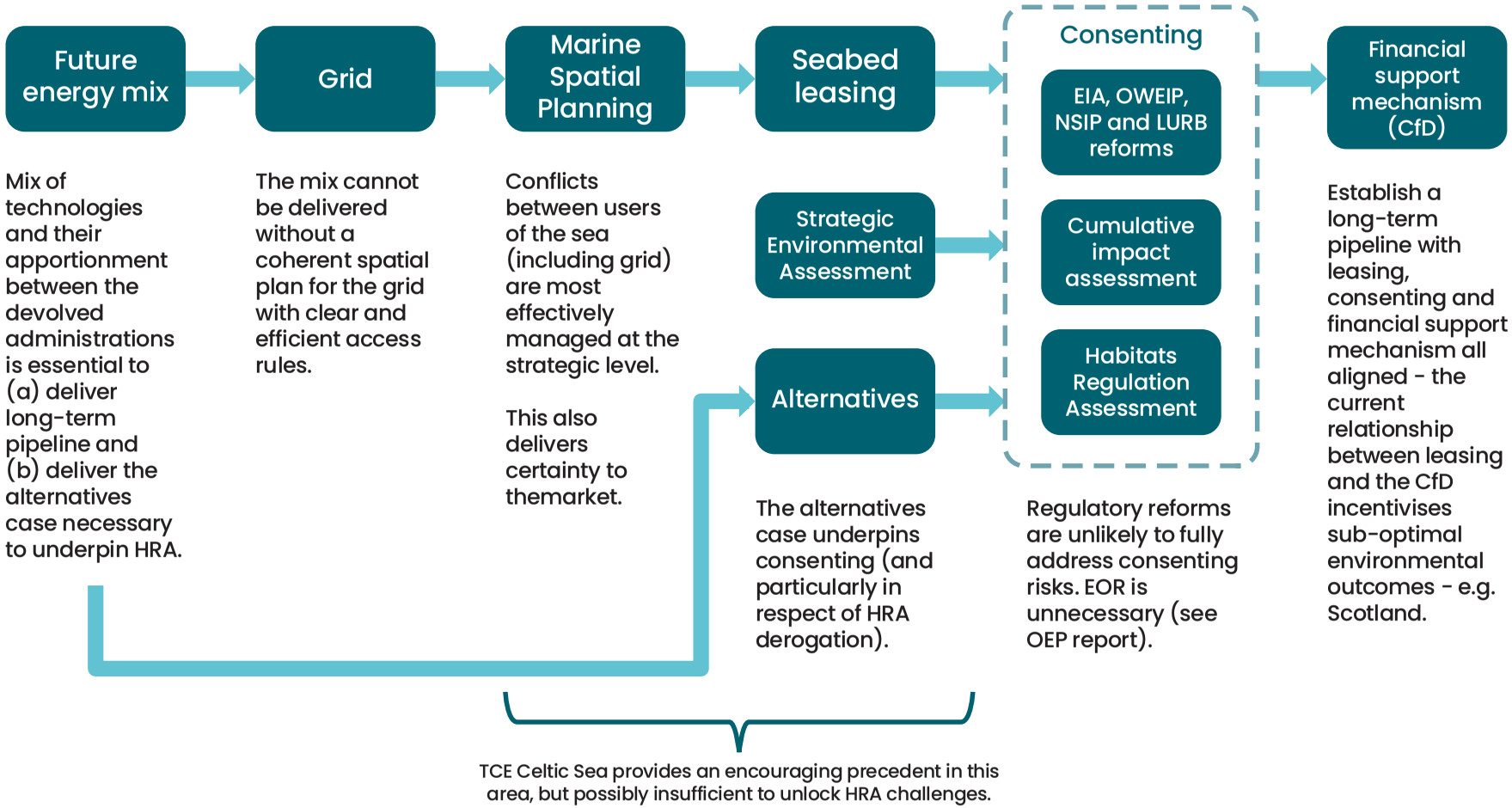
Strategic guidance and coordination of the different, inter-related, processes are required to optimise the System Architecture. Such guidance and coordination are currently largely absent, with ad hoc attempts across government taking place to address key blockers (e.g. grid, Habitats Directive) without consideration of the wider associated issues.

These key findings can be summarised most easily through two phrases the study team frequently encountered during stakeholder workshops:

- *"Government has targets, it doesn't have a plan".*
- *"The system architecture has no architect."*

A revised architecture would primarily be delivered through the alignment of the "building blocks", for example as illustrated in the figure on page 10.

Recommendation - revised architecture



This revised architecture would be based on the following four steps:

Step 1 – set out the long-term pipeline – future energy mix.
Under this re-alignment of processes, well informed assessment of the future energy mix, supported by temporal scenarios, would be used to develop an optimal future energy mix. Mechanisms already in place for such an assessment include review processes already carried out by the Committee for Climate Change and National Grid through the Future Energy Scenarios (FES). Technical input could also be sought from other governmental advisors, including the National Infrastructure Commission.

Step 2 – develop a coherent spatial plan for the grid necessary to deliver the long-term pipeline, supported with clear and efficient access rules aligned with the relevant temporal generation estimates.

Step 3 – deliver well-resourced marine spatial planning to underpin seabed leasing. This, together with a strong alternatives case based on a long-term pipeline would assist the consenting of projects. As it currently stands, the proposed regulatory reforms would be unlikely to unlock consenting issues fully.

Step 4 – align the financial support mechanism with the strategic pipeline and consenting programmes. Aligning allocation rounds more closely with the strategic pipeline (established through future energy mix scenarios and leasing rounds) would provide greater certainty to all parties in the process.

1.8 How to secure the revised architecture

The delivery of a revised architecture will only be possible with high level political and policy maker engagement, aligned with strong delivery targets for Net Zero. A much greater degree of coordination and meaningful collaboration would be required across central government (DESNZ, DEFRA, DLUHC) and the Devolved Administrations.

Delivery would also require dedicated and engaged resource to ensure alignment. The focus of the task would be on creating certainty in the process for the offshore wind pipeline to achieve net zero.

A number of options for coordination present themselves, however each has different strengths and weaknesses. These include:

- an enhanced role for policy leads within core sponsoring departments, specifically tasked with aligning the building blocks.
- Development of a bespoke enabling organisation, similar to Great British Nuclear.
- The creation of a dedicated delivery authority, with consenting powers, for example the North Sea Transition Authority, formerly the Oil and Gas Authority.

A review by Deloitte's Government and Infrastructure Team, who have worked closely with Government departments in the formulation of new approaches and mechanisms suggests, however, that an optimal model may be to utilise existing Cabinet Office or No.10 policy unit mechanisms to deliver the required changes to the system architecture.

This preferred approach **of a centralised coordinator of policy** acknowledges the distinct differences of offshore wind from other technologies and the clear benefits it can deliver over other, less established, sectors. The UK Offshore Wind Sector is a proven industry with the ability to deliver the targets without significant financial or regulatory intervention, unlike for example the hydrogen production, carbon capture or small modular nuclear reactor industries. Therefore, a bespoke organisation or dedicated delivery authority are not considered suitable options for offshore wind.

Through this approach, central government would be providing the framework for the market to deliver, although this would need to be accompanied by significant regulatory enabling in areas such as the provision of definitive guidance on EIA, CEA, and HRA from sponsoring departments, in agreement with SNCBs, aligned with the Offshore Wind Environmental Improvement Package (OWEIP).

The urgent need for a high-level UK wide strategic approach evidently also requires coordination with, and within, the Devolved Administrations (DAs). Liaison between the Cabinet Office / No.10 policy unit and the DAs will be vital; but greater coordination and communication of offshore wind related policy initiatives will also be required at the DA level. DAs could produce delivery plans to align policy developments and communicate progress to developers and stakeholders. Such transparency, together with regular review and quarterly updates, would increase investor confidence in the sector.

2 Approach to study

2.1 Study objectives

The P2G CG recognised that the policy and legislative framework, both UK-wide and within the devolved jurisdictions, has the potential to be a barrier to the successful consenting and deployment of offshore wind, both in respect of current projects and future offshore wind rounds. Furthermore, in the context of proposed regulatory reforms, including those introduced by the British Energy Security Strategy ("BESS"), it was concluded by the P2G CG that there was the need for a "point in time" opinion piece that could be used to test policy and legislative reform.[3]

P2G team therefore commissioned Deloitte and Aeos Consulting to deliver consultancy advice with objectives to:

- Identify and categorise the main types of planning and consenting challenges facing offshore wind (both fixed and floating foundations) with input from developers, SNCBs and regulatory bodies.
- Identify the relevant legislation and planning policies to the agreed challenges and explain how they influence the offshore wind consenting processes.
- Assess the potential for recent and ongoing reforms to address these challenges.
- Identify and analyse wider areas of legislation and policy which present challenges but which have not been addressed in the reforms to date; and
- Make recommendations to address identified challenges to support the implementation of Net Zero and BESS targets.

2.2 Methodology

The study methodology, agreed with the P2G CG, comprised of the four main stages listed below.

- **Scoping of deep dive review**

  The review of consenting challenges was informed by a stakeholder-driven scoping process. This included a strong jurisdictional element (at the level of the Devolved Administrations) to ensure that regional variations and challenges were appropriately identified. In addition to the jurisdiction-based workshops, a developer workshop was held to identify any overarching commercial concerns which the study should address.

3 An agreed cut-off date of September 2023 to conclude research was subsequently agreed with P2G.

- **Deep dive review and mapping**

Following the stakeholder workshops, and in response to stakeholder feedback, the scope of a "deep dive" study was agreed with the P2G team.

The deep dive considered the feedback from the stakeholder groups on consenting challenges, perceived and identified policy gaps and associated misalignment.

The deep dive subsequently identified the need for deeper consideration of the interaction between the different regimes; it was acknowledged that the "building blocks" of the consenting process do not have a firm foundation on which change can be progressed.

- **Testing of findings**

Further stakeholder engagement, including several one-on-one meetings, was used to test the findings of the deep dive study.

- **Reporting**

This report represents the core deliverable from the study, including a summary of the findings and the making of recommendations.

3 Scoping of deep dive review – stakeholder engagement

3.1 Engagement with stakeholders

Engagement with stakeholders across the industry and across the jurisdictions, including the relevant Government departments, statutory bodies, the seabed leaseholder, non-governmental organisations, and developers took place between Spring and Autumn 2023. Engagement with stakeholders was undertaken to gain a direct understanding of the key challenges for the consenting process for offshore wind, test study assumptions and findings and share emerging recommendations.

In collaboration with the P2G team, 116 stakeholders were identified to engage with the study. The list of stakeholders is included in **Appendix 1** to this report. The following engagement took place:

Spring 2023 workshops: focused on baseline assumptions of the challenge, assessing the status of each jurisdiction, the key policy and legislative frameworks, and observations of good practice and lessons learnt. Summary "skeleton" position statements (see **Appendix 2** to this report) were presented to workshops for comment. In total 58 stakeholder participated across the developer, England, Scotland and Wales workshops.

Summer 2023 questionnaire: building on the feedback received following the Spring 2023 workshops, the questionnaire also provided an opportunity for those who could not attend the workshops to provide their views. The questionnaire was published on 18 July 2023 and ran until 09 August 2023. A total of 17 responses were received to the questionnaire. A copy of the questionnaire is included in **Appendix 3** of this report.

By combining the feedback to the Spring workshops and questionnaire, the study hypothesis could be formed, and the deep dive study commenced.

Autumn 2023 workshops: to discuss the deep dive of the study, which centred around the building blocks of the system architecture analogy, and emerging outline recommendations from the study. Two workshops were held for the developer group and England jurisdiction with 33 participants in total.

3.2 Limitations on stakeholder engagement

Due to resourcing challenges, it was not possible for all stakeholders to engage at all stages of the study. In particular, due to the suspension of power sharing in Northern Ireland at the time of the study, engagement with issues in respect of devolved powers in that jurisdiction was inevitably limited.

Notwithstanding the limited resources available to stakeholders, the study team believe that a strong representative sample of opinion was obtained and are grateful for the input of all participants.

3.3 Discussing the challenge: stakeholder workshops

3.3.1 Spring 2023 stakeholder workshops

The purpose of the Spring 2023 workshops was to provide:

- collaborative identification and categorisation of the main planning and consenting challenges;
- confirmation of relevant legislation and planning policies; and
- intelligence on recent and ongoing reforms.

To facilitate these discussions, a series of "skeleton" arguments were developed for the stakeholder groups to critique. These included provisional baseline assumptions, which could be applied across all four relevant jurisdictions, a proforma workshop template for guiding the discussions and pre-populated templates highlighting issues which the project team considered to be particularly pertinent to each jurisdiction. Copies of these "skeleton" position statements are included in Appendix 2 to this report. These "skeletons" also included a summary of the relevant legislative frameworks for each Devolved Administration.

3.3.2 Key assumptions

Two key underlying assumptions were presented to the workshops in the "skeletons" described above. These were that:

- **Climate change represents one of the most significant threats to human and biological environments; with the UK's abundant wind resource across all four jurisdictions, offshore wind has a crucial role to play in mitigating climate change and meeting the Net Zero challenge while ensuring that nature recovery can be delivered; and**

- **Improving the "System Architecture"[4] in both the marine and terrestrial environments will deliver a more efficient route to achieving decarbonisation targets, and 50GW of offshore wind by 2030.**

Perhaps unsurprisingly, neither of these core assumptions were challenged by stakeholders in the workshops. Furthermore, none of the participants identified any specific policies or legislation that would benefit from significant revision.

Building on these core assumptions, the workshop participants discussed the issues further. The feedback received is summarised in Section 3.4 below. The key elements of the existing system architecture which were discussed are summarised in the "skeleton" position statements at **Appendix 2**.

4 "System Architecture" is used in this report to mean the legislative and policy frameworks governing the relationship between all the elements of an offshore wind project. Those frameworks include those operating in both the marine and terrestrial environments and across the whole lifetime of a project.

3.4 Feedback from workshops and key conclusions

A summary of the feedback from the workshops is set out in **Appendix 4** from the three categorised stakeholder workshops. These included one with offshore wind developers; one with Scottish stakeholders; and one with Welsh stakeholder.

Key themes explored during the workshops were:

- System architecture
- Policy alignment
- Regulatory reforms

The key conclusion from the workshops can be summarised as: The "System architecture" does not perform well at either regional or national level.

Analysis of the themes outlined above allowed the study team to develop a working hypothesis, drawing on the concept of "System Architecture" introduced at the Spring workshops.

To further test the hypothesis, a structured questionnaire was developed. The questionnaire was structured around four main topic areas, namely: system architecture, policy alignment, regulatory reforms, and market-led approaches. These topics were developed in response to, and drawing on, the feedback received during the Spring workshops.

3.5 Feedback from questionnaire and key conclusions

A summary of the feedback from the questionnaire is set out in **Appendix 5**. Responses to the questionnaire were coded for analysis. The discussion within **Appendix 5** can be directly cross referenced with the anonymised responses, which are available on request as a separate supporting document. The code format used combines the question number with a table row number in the separate supporting document. For example, if the response is from Question 10 and row 5, the code would be Q10:05.

The feedback from the questionnaires demonstrated a general consensus among stakeholders for the need to improve the system architecture in the UK through a strategic approach to the delivery of Net Zero, albeit with some differences of opinion over detail. Most participants agreed that aligning policies and legislation could significantly improve the offshore wind development process across the UK. However, there were differing views on whether the current regulatory reforms could bring about significant positive changes in the consenting process.

4 Deep dive research and validation

4.1 Focus of the deep dive

Drawing on the stakeholder input from the workshops and questionnaire the scope of the deep dive study focussed on the relationship between the "building blocks" of the offshore wind consenting process, inclusive of legislation, policy and existing process. On the basis, as established in the Spring workshops, that the blocks identified, which are crucial to the development and delivery of offshore wind, do not have a firm foundation; the deep dive sought to understand how these could be better aligned and interdependencies made more efficient.

Within this overarching theme, issues of co-existence and strategic spatial planning were dominant, an acknowledgement of the challenge of balancing the different priorities and expectations of marine interests. It was felt that the relative **immaturity of the marine spatial planning process** in the UK was hindering progression through the absence of clear marine plans and a policy framework to enable co-existence.

Related to this, the **operation of seabed leasing** in the UK, and its lack of alignment with the strategic spatial planning process, resulted in periods of "boom and bust", with periods of intense potential conflict between interests (e.g. nature conservation, fisheries) punctuated by long periods where the resolution of such conflicts was left to developers to resolve, primarily through non-strategic (i.e. consent application) processes. The disconnect between the higher-level strategic activities (leasing, Strategic Environmental Assessment (SEA)) and the project level consenting process in particularly acute, with the former not being used as a tool to de-risk the latter.

The Crown Estate's Round 5 Celtic Sea leasing process was highlighted as an improvement in this necessary alignment between strategic planning and leasing. It provided an opportunity to deliver a more measured, evidence-led and strategic leasing programme, compared with, for example, Scotwind. The Scottish round, although responding to market demand, was poorly aligned with the Sectoral Marine Plan findings and the capabilities of the consenting process.

The absence of a strategic approach was also highlighted in respect of the **planning and delivery of the electricity grid** and the process by which projects are connected to the grid. The lack of alignment between marine spatial planning, seabed leasing and the planning of grid infrastructure was considered to be particularly pronounced.

The **financial support mechanism** for projects, in the form of the Contract for Difference regime, was a further element of the system architecture which functioned poorly due to the lack of strategic alignment. The "boom and bust" nature of seabed leasing, and hence the consenting pipeline, was not aligned with the drumbeat of the CfD rounds, although it was acknowledged that commitment to regular auctions would improve the operation of this element in the longer term.

These four mis-aligned elements, namely CfD, grid, leasing and marine spatial planning form the key building blocks of the system architecture associated with the consenting of offshore wind projects. This "keystone" status, illustrated in the figure below (bottom row of blocks) and their current misalignment is resulting in the faulty super-structure of the consenting process above this base.

The deep dive considered the core issues relevant to each building block, incorporating further research in associated areas, such as emerging policy initiatives, including:[5]

- Seeking clarification on the OWEIP work packages and review provisions of the Energy Act 2023;
- Review of national decarbonisation targets, including any energy mix assumptions;
- Review of Nationally Significant Infrastructure Project (NSIP) reform and revised NPS drafting – including Critical National Priority (CNP) status and pathfinder projects;
- Review of Environmental Outcome Reporting (EoR) – including lack of strong evidence base supporting the need to reform EIA (Infrastructure Planning) Regulations;
- Consideration of Welsh end-to-end review of the Marine Licensing process and use of Strategic Resource Areas;
- Consideration of Infrastructure (Wales) Bill;
- Consideration of Scottish Iterative Plan Review (IPR) and Cumulative Impacts tool;
- Consideration of shortcomings of s.36 in Scotland (including onshore issues and purpose of consent);
- Alignment with NIC recommendations for speeding up infrastructure planning;
- Relationship with OWIC / TCE strategic compensation work and Marine Net Gain consultation;
- One-to-one meetings with key bodies including Crown Estate; and
- Review of best overseas practice e.g. Netherlands grid and EIA.

By grouping these building blocks, their relationship with consenting risk (including delay in achieving consent) may be summarised as follows:

4.1.1.1 Habitats Regulation Assessment and Cumulative Impact Assessment

These two closely associated issues perhaps represent the single largest challenge in the offshore wind consenting process. The protection of the most important sites for nature conservation is underpinned by a strong precautionary principle, an approach well supported in environmental policy.

5 These were scoped into the research with an agreed cut-off date of September 2023.

Even in a post-Brexit world this strong policy protection will be sustained; there are clear government commitments to non-regression with the relevant EU Directives and wider obligations to comply with international legal commitments, including those under the Bonn and Bern Conventions.

It is not clear why policy makers consider it more appropriate to address the challenges of HRA reactively, on a project-by-project basis, rather than through the application of strategic tools including marine spatial planning and Strategic Environmental Assessment.

Cumulative Impact Assessment, also known as Cumulative Effects Assessment (CEA) has presented a challenge to offshore wind projects in the UK for nearly two decades, without ever being fully resolved, despite a significant amount of academic, regulatory and developer effort. CEA presents a particularly significant barrier in the context of HRA where the "layering" of multiple precautionary assessments can overstate the magnitude of environmental risks.

It has long been recognised that CEA risks can be best addressed through strategic level initiatives, including marine spatial planning and Strategic Environmental Assessment, however such approaches have not generally been adopted until recently (for example in respect of Leasing Round 5). It is not yet clear whether NatureScot's Cumulative Effects Framework (CEF) will allow for efficient and pragmatic decision making in respect of the challenges which an essentially unconstrained Scotwind leasing round has placed on the consenting system.

HRA derogations, even when delivered at the strategic level, require a strong alternatives case, something which, is not currently delivered by high level policy in the UK due to the absence of clear targets for offshore wind contributions to net zero in the different UK jurisdictions (see Appendix 4).

The Offshore Wind Environmental Improvement Package (OWEIP) implemented by the BESS and the Energy Act 2023 seeks to address some of these HRA challenges and has been included in the National Policy Statement for Renewable Energy EN-3. However, this requires separate devolved legislation to be fully implemented in Scotland and does not address all the HRA challenges because of over-riding "non-regression" commitments in respect of international biodiversity treaties. In addition, implementation of the OWEIP remains uncertain and is not time-bound. The operation of the Marine Recovery Fund (MRF) associated with OWEIP and strategic compensation remains in development at the time of writing this report.

4.1.1.2 Marine Spatial Planning, Strategic Environmental Assessment (SEA)

The tools are in place, through marine spatial planning and other initiatives, to resolve many of the potential conflicts between marine interests. Potential misalignments between nature conservation objectives, fisheries management, shipping and marine offshore renewables can be managed through the above tools. However, these tools are generally not well used by policy makers.

For example, during The Crown Estate's Round 3 leasing process, the strategic HRA side-stepped any strategic consideration of the issues and contractually imposed compliance at the individual project level, rather than seeking to address issues which may have been better dealt with at a broader spatial scale. Where marine spatial planning tools have been applied, these have either not been well resourced, or their recommendations not fully adopted. Most notably the Scottish Marine Sectoral Plan presented a 10GW plan for Habitats Regulation Assessment, while the subsequent Scotwind leasing round issued some 20GW of capacity, which is unlikely to be fully consented in a deployable timeframe. In that case there was a clear misalignment between the sectoral plan and leasing round.

A further example is also provided by consecutive Strategic Environmental Assessment (SEA) processes for offshore renewable energy which have arguably been little more than "tick box" exercises rather than a genuine assessment of plans or policies.

4.1.1.3 Seabed leasing and grid connection

Increasingly, there is often a significant disjoint between the strategic planning of offshore wind projects and their associated grid connections. For example, the Scotwind leasing round progressed with only limited knowledge of grid connection solutions.

4.1.1.4 Future Energy mix and Alternatives

Any spatial strategy, whether delivered through marine spatial planning, Strategic Environmental Assessment or seabed leasing processes requires the underpinning of realistic and robust deployment assumptions. These assumptions need to be informed by high level targets, both at the UK level and for each devolved jurisdiction. The role of policy and guidance in respect to the future energy mix and alternatives are clearly important in this regard.

It should also be noted that a strong strategic direction from policy makers on the optimal energy mix would also strengthen the alternatives case for all renewable and low-carbon energy projects which may need to sustain an HRA derogation case, not just for offshore wind.

4.1.1.5 Delivering a pipeline - aligning financial support mechanisms with consenting processes

There is a significant disjoint between the consenting process and the Contract for Difference ("CfD") process. Delays to consenting, and the discharge of consent conditions (including DCO Requirements), can adversely affect eligibility to enter CfD allocation rounds. Furthermore, variability over time in the consenting process means that there is considerable variation between time to consent and time to CfD award, increasing uncertainty and risk for developers.

Arguably, the relationship between leasing, consenting and the CfD incentivises sub-optimal environmental outcomes, with pressure on developers to submit incomplete assessments in order to compete in allocation rounds with other development projects. The misalignment between leasing rounds and the CfD allocation rounds also leads to "famine and feast" situations which can adversely affect the workloads of regulators and their statutory advisors.

4.1.1.6 Planning reform

Planning reform for infrastructure in England is arguably primarily focussed on the speed at which individual projects attain consent, rather than on the delivery of Net Zero in a strategic and directed manner.

The NSIP reform process being promoted by the Department for Levelling Up, Housing and Communities (DLUHC) is laudable in its intention to improve consenting time for NSIPs, but very narrowly focused. Unfortunately, the evidence base used to support the NSIP reforms – citing a possible reduction in consenting time from 4 years to 1 year – utilises unrepresentative data that is drawn from outlying data points, and any improvement in consenting time is likely to be in months, not years. Ironically, some of this data is drawn from projects which faced significant HRA challenges, which the proposed reforms are unlikely to be able to address. Generally, stakeholders considered

the Development Consent Order process to be a robust one which delivers high levels of certainty, in contrast to the previous section 36 Electricity Act 1989 process and separate marine environmental consents (which still apply in Scotland).

Associated reforms in the area of Environmental Impact Assessment (EIA) and a potential transition to Environmental Outcomes Reporting (EoR) were generally seen by stakeholders as increasing the consenting risk profile for projects. Within the infrastructure sector there does not appear to be significant appetite for a new assessment regime (with all the legal challenge risks a new regime would bring) but, rather, developers would prefer for a focus on more proportionate EIA within the current legal framework. This was highlighted in the National Infrastructure Planning Association, IEMA and Office for Environmental Protection (OEP) responses to consultation on EoR. The process for rolling out EoR to Devolved Administrations is also unclear, adding to uncertainty.

4.2 Stakeholder engagement

In Autumn 2023, stakeholders were invited to attend additional workshops. The objective of these workshops was to present the outcomes of the deep dive study and the resulting initial recommendations. The identified 'building blocks' of the offshore wind consenting process were also discussed.

A total of 33 participants attended two workshops. Two further bilateral meetings were held with the Crown Estate and Scottish Power Renewables.

During the workshops, an overarching 'Great Britain Thesis' was presented; its objective being the provision of a regulatory framework, required for the following reasons:

- The current consenting system is well understood but burdensome, particularly in respect of cumulative impact assessment.
- The planning of the transmission grid in both terrestrial and marine environments is not aligned with the consenting process.
- The absence of an effective Marine Spatial Planning regime is hindering the siting, routing, and Environmental Impact Assessment processes for offshore wind.
- The Strategic Environmental Assessment (SEA) process does not deliver useful or useable outcomes.

To address these issues, there needs to be a clearly defined consenting process capable of providing a clear route to market that aligns with leasing rounds, grid scenario planning and wider climate change targets, including the national carbon budgets.

4.3 Preliminary recommendations

The table below sets out preliminary recommendations in response to the stakeholder feedback presented during the workshops:

Issue	Feedback	Recommendation
Grid & Seabed Leasing	"There is a disconnect between seabed leasing, grid capacity, network transmission reinforcement and the ability for generation to be transmitted to demand." "The stop and start nature of the leasing process means the consenting process faces unprecedented volumes."	An established route to market with grid alignment ahead of leasing rounds.
Consenting	"The need for an updated National Policy Statement to reflect a considered and proportionate position on cumulative assessment and a relationship with the Marine Spatial Plan."	Proportionate, and regular reviews of policy and a process for its timely implementation, including and production of associated guidance.
Consenting	"The absence of a statutory determination period and fragmentation of consent (offshore vs onshore) creates a barrier to Net Zero delivery."	The adoption of statutory timeframes for determination to provide confidence to the market.
Consenting	"The requirement of a marine impact report from Natural Resources Wales will be an important aspect alongside fixed decision-making timescales."	Providing greater clarity on relative prioritisation should help with decision-making, including providing clarity for each sector.
Marine Spatial Planning	"The requirement for compensation and routes to alignment between MSP, SEA & Marine Net Gain." "The sectoral Marine Plan has been well implemented; however delivery would benefit from smaller, regular, tranches of capacity being issued through the leasing rounds, rather than a single 'hit'."	The alignment of clear and consistent targets across policy and guidance. A unified process that incorporates compensation at the plan and SEA level to streamline delivery.
Marine Spatial Planning	"The current plan frameworks are strategic in nature but have limited spatial policy."	There is the need for a range of prioritisation at the strategic level, both non-spatial and spatially explicit.

The benefits of these preliminary recommendations to the consenting process would primarily be long-term and structural, improving certainty of outcome through a cohesive and aligned process, capable of delivering a long-term pipeline of projects. As discussed at Section 4.1.1.6 Planning Reform, the emphasis on improving consenting outcomes has been skewed by overly focussing on short-term consenting cycles and individual project timeframes rather than streamlined delivery of the overall Net Zero targets.

4.4 Confirmation and validation of the hypothesis

The stakeholder engagement outlined above validated the study team's conclusion that there is no need for significant reform of primary or secondary legislation to deliver an efficient consenting process for offshore wind, capable of supporting the transition to Net Zero.

It was considered that most of the necessary elements of the consenting regime were present, fit for purpose and well understood.

However, the engagement concluded that the building blocks of the consenting system need to be aligned and coordinated; in essence the "system architecture" requires an architect. Ideally the "architect" should operate at the national (GB) level but there is also the need for coordination at country level, and particularly in the level of contribution towards low carbon generation required from each devolved jurisdiction to unlock the UK-wide Net Zero targets.

Fundamentally it was agreed by participating stakeholders and the project team that there is no need for wholesale reform, but that there is ample room for improved coordination and robust guidance to facilitate a market-led approach.

Furthermore, it was agreed that a long-term pipeline of projects is the only way to deliver Net Zero 2050 – even if consents could be delivered more quickly, they would not deliver projects any faster. As such, speed should therefore not be the objective, certainty should be.

4.5 Resources and skills

A consistent element of stakeholder responses related to poor levels of resourcing in key stakeholder organisations (including statutory consultees) arising primarily from a lack of funding. Additionally, it was noted that there is insufficient human resource in the market with appropriate skills being in high demand. While there is an awareness of the opportunities which Net Zero presents for technology providers, this does not extend to education and training in the consenting, environmental, legal and land surveying sectors. The "human pipeline" of appropriately qualified workers is as likely to impede timely consenting as regulatory and legislative barriers. Both these issues – resourcing and skills – represent a significant barrier to consenting projects. These issues were outside of the scope of this study but are an overriding theme across all P2G focus areas and are also the subject of a dedicated OWIC workstream.

5 Key findings and recommendations

5.1 Key findings

As discussed above, drawing on the table at 4.3 above, the study's key findings are that strategic guidance, and coordination of the different, inter-related processes are required to optimise the System Architecture. Such guidance and coordination are currently largely absent, with ad hoc attempts across government taking place to address key blockers (e.g. grid, Habitats Directive) without consideration of the wider associated issues.

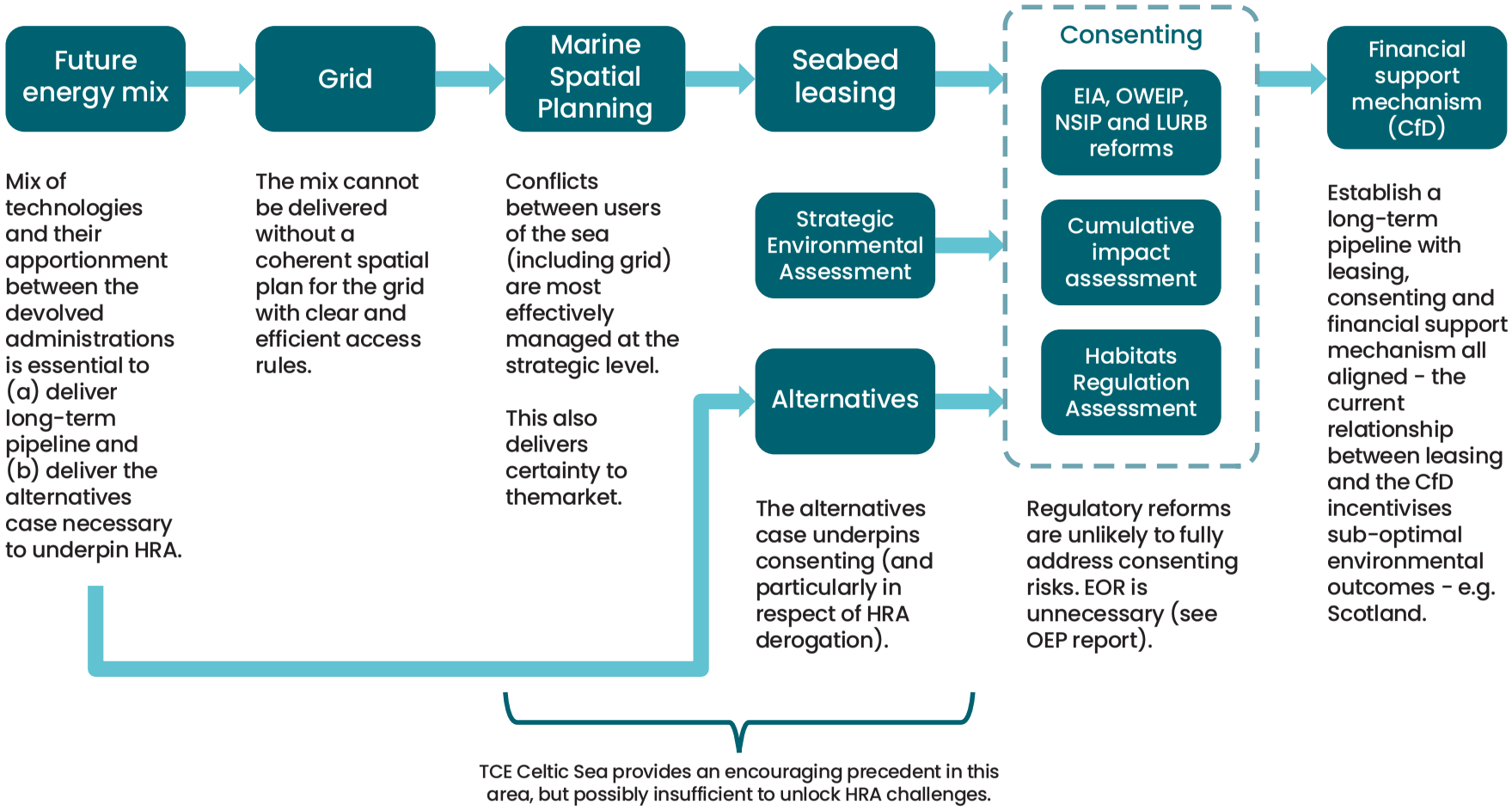
These key findings can be summarised most easily through two phrases the study team encountered during stakeholder workshops:

- *"Government has targets, it doesn't have a plan".*
- *"The system architecture has no architect."*

5.2 Towards a revised architecture

A revised architecture would primarily be delivered through the alignment of the building blocks, for example as illustrated in the process diagram on page 30.

Recommendation - revised architecture



This revised architecture would be based on the following process, incorporating four steps.

Step 1 - set out the long-term pipeline - future energy mix.
Under this re-alignment of processes, well informed assessment of the future energy mix, supported by temporal scenarios, would be used to develop an optimal future energy mix. Mechanisms already in place for such an assessment include review processes already carried out by the Committee for Climate Change and National Grid through the Future Energy Scenarios (FES). Technical input could also be sought from other governmental advisors, including the National Infrastructure Commission.

Step 2 - develop a coherent spatial plan for the grid necessary to deliver the long-term pipeline, supported with clear and efficient access rules aligned with the relevant temporal generation estimates.

Step 3 - deliver well-resourced marine spatial planning to underpin seabed leasing. This, together with a strong alternatives case based on a long-term pipeline would assist the consenting of projects. As it currently stands, the proposed regulatory reforms would be unlikely to unlock consenting issues fully.

Step 4 - align the financial support mechanism with the strategic pipeline and consenting programmes. Aligning allocation rounds more closely with the strategic pipeline (established through future energy mix scenarios and leasing rounds) would provide greater certainty to all parties in the process.

The plans and policies developed at Steps 1-3 (Energy mix, Grid, Marine Spatial Planning) would require well-resourced Strategic Environmental Assessment (SEA) and plan level HRA.

5.3 Recommendations - delivery of revised architecture

The delivery of a revised architecture will only be possible with high level political and policy maker engagement, aligned with strong delivery targets for Net Zero. Significant coordination would be required across central government (DESNZ, DEFRA, DLUHC) and the Devolved Administrations.

Delivery would also require dedicated and engaged resource to ensure alignment. The focus of the task would not be on short-term speed but rather long-term certainty of process.

Three potential options for coordination present themselves, however each has different strengths and weaknesses. These are:

- an enhanced role for policy leads within core sponsoring departments, specifically tasked with aligning the building blocks.
- Development of a bespoke enabling organisation, similar to Great British Nuclear.
- The development of a dedicated delivery authority, with consenting powers, for example the North Sea Transition Authority, formerly the Oil and Gas Authority.

A review by Deloitte's Government and Infrastructure Team, who have worked closely with Government departments in the formulation of new approaches and mechanisms to deliver "Best in Class" Industry standards, suggests, however, that an optimal model may not be to innovate, but instead to utilise the existing Cabinet Office or No.10 policy unit mechanisms to deliver the required changes to the system architecture.

This preferred approach acknowledges the distinct differences of offshore wind from other technologies and the clear benefits it can deliver over other, less established, sectors. The UK Offshore Wind Sector is a proven industry with the ability to deliver targets without significant financial or regulatory intervention, unlike for example the hydrogen production, carbon capture or small modular nuclear reactor industries. An organisation based on the Great British Nuclear (GBN) model, which, for example, is involved with technology and site selection, would largely duplicate existing functions without providing the cross-governmental clarity of policy which this study has identified as being essential.

An organisation based on the model followed by the oil and gas industry in the form of the North Sea Transition Authority, which exercises wide regulatory powers, including consenting, would likely be preferable to the GBN approach. In particular, the ability to grant both leases and consent could be attractive to investors. However, such an organisation would still not fully address the cross-sectoral challenges outlined in this report, and would take time to be established, including requiring parliamentary time for enabling primary legislation. Most notably it would need to operate uniformly across the Devolved Administrations, something which may not be practicable without the political engagement inherent in the Cabinet Office approach.

Under the Cabinet Office / No.10 Policy Unit model, central government would primarily be providing the framework for the market to deliver, although this would need to be accompanied by significant regulatory enabling in areas such as the provision of definitive guidance on EIA, CEA, HRA, and aligned with the current NPS and OWEIP and devolved consenting frameworks.

5.4 Testing the Recommendations

A workshop with the P2G CG was held on 31st January 2024 to discuss the potential models for delivering the revised architecture.

The principal themes that emerged from that discussion were as follows:

- There was agreement on the need for a whole project lifecycle perspective, setting out how any revised architecture could be delivered.
- It was acknowledged that what is required is co-ordination and not wholesale reinvention; in this way each element of the process would be aligned.
- Further detail on improving the linkages between building blocks, including appropriate levels of resourcing and development of clear guidance will likely be required.
- Recognition was given to the rapid evolution in the energy sector and the fact this report and its recommendations could only represent a snapshot in time, meaning that periodic review will be required.
- That establishing new bodies, such as the Great British Nuclear or North Sea Transition Authority approaches described above, would not be an appropriate response to the main challenges facing the offshore wind industry.
- Only the Cabinet Office / No.10 Policy Unit model would secure the necessary strategic approach, necessary resources, and the coordination and meaningful collaboration required across central government and the Devolved Administrations.

Through this approach, central government would be providing the framework for the market to deliver, although this would need to be accompanied by significant regulatory enabling in areas such as the provision of definitive guidance on EIA, CEA, and HRA from sponsoring departments, in agreement with SNCBs, aligned with the Offshore Wind Environmental Improvement Package (OWEIP).

The urgent need for a high-level UK wide strategic approach evidently also requires coordination with, and within, the Devolved Administrations (DA). Liaison between the Cabinet Office / No.10 policy unit and the DAs will be vital; but greater coordination and communication of offshore wind related policy initiatives will also be required at the DA level. DAs could produce delivery plans to align policy developments and communicate progress to developers and stakeholders. Such transparency, together with regular review and quarterly updates, would increase investor confidence in the sector.

6 Appendices

Appendix 1

List of stakeholders in study

Appendix 2

"Skeleton" position statements presented to Spring workshops

Appendix 3

Stakeholder questionnaire (summer 2023)

Appendix 4

Detailed stakeholder workshop feedback

Appendix 5

Detailed stakeholder questionnaire feedback

Appendix 6

Glossary of terms

Appendix 1

List of stakeholders in study

Developers	
AWC Technology	Mainstream Renewable Power
BayWa r.e.	Marine Energy Wales
Blue Float Energy	Morwind
Blue Gem Wind	Northland Power
BP	Ocean Winds
BW Ideol	Orsted
Celtic Sea Power	Red Rock Power
Cerulean Winds	Renatis
Cierco	Renewable Infrastructure Development Group (RIDG)
Copenhagen Offshore Partners	RWE
Corio Generation	SBM Offshore
DEME Group	Scottish Power
DP Energy	Scottish Renewables
EDF	Shearwater Energy
Elicio	Shell
EnBW	Simply Blue Group
Equinor	Source Galileo
ESB Asset Management	SSE
Floating Energy Alliance	Statkraft
Flotation Energy	Thistle Wind Partners
Fred. Olsen Renewables	Total Energies
Green Investment Group	Vårgrønn
Hexicon	Vattenfall Wind Power Ltd
Magnora Offshore Wind	

Government Bodies, Statutory Stakeholders and Regulators	
Centre for Environment, Fisheries and Aquaculture Science	Marine Management Organisation
Civil Aviation Authority	Marine Scotland
Crown Estate Scotland	Maritime and Coastguard Agency
Department for Environment, Food & Rural Affairs	Ministry of Defence
Department for Levelling Up, Housing & Communities	NATS (En Route)
Department for the Economy of Northern Ireland	Natural England
Department of Agriculture and Rural Development of Northern Ireland	Natural Resources Wales
Department of Energy Security and Net Zero	NatureScot
Environment Agency	Scottish Government (energy representative)
Joint Nature Conservation Committee	The Crown Estate
	The Planning Inspectorate
	Trinity House
	Welsh Government (energy representative)

Industry groups		
EnergyUK	Renewable UK	Seabed User and Developer Group

Baseline Assumptions across all jurisdictions

Fundamental: Climate Change represents one of the most significant threats to human and biological environments; with our abundant wind resource across all four jurisdictions, offshore wind has a crucial role to play in mitigating climate change and meeting the Net Zero challenge while ensuring that nature recovery can be delivered

Principle: Improving the "System Architecture" (the legislative and policy frameworks governing the relationship between all the elements of an offshore wind project, in both the marine and terrestrial environments, across the whole project lifecycle, and the interpretation of those frameworks) will deliver a more efficient route to achieving decarbonisation targets, and 50GW of OSW by 2030.

Likely areas of agreement

- Consenting processes for offshore wind sit on the critical path to delivering the 2030 OSW and 2050 Net Zero targets
- The significant benefits of offshore wind are recognised, however given increased users and uses of the sea (including marine conservation drivers), consideration and clarity is required in respect of the management of conflicts
- Strategic approaches are the most effective way of managing these conflicts (Marine Spatial Planning, Strategic Environmental Assessment etc)
- Using Marine Plans collectively to identify cumulative impact risks across the UK and/or transboundary impacts (Espoo Convention)
- Legislative and policy changes, including those arising from Brexit, are likely to increase short- to medium- term uncertainty - there is, therefore, a clear need for transitional arrangements to be put in place.
- Reforms across jurisdictions are fragmented, however the divergence of regulatory structure in the UK is here to stay – as such most effective change and alignment will be achieved through development of policy and guidance, coupled with the implementation of best practice, rather than through legislative change.
- Consistency and clarity of approach is important to investors in the UK market, regardless of jurisdiction, and will be an important factor in securing the full supply chain benefits and delivering energy security
- Significant delays to consent, or the reduction of the size of the pipeline, is likely to have market consequences
- Post consent issues are often overlooked e.g. relationship between consent and CfD, time to Financial Investment Decision

More contentious areas ?

- Political capital invested in targets?
- Site selection process (in both marine and terrestrial environments) – revenue vs environmental protection
- Prioritisation of the marine space – fisheries, MPAs etc
- Opportunities for coordination between Westminster and rUK
    - is there a need/ desire for processes or objectives to be more consistent or rather does it place a healthy level of competition between devolved nations ?
    - What are the main barriers to a more coordinated approach between jurisdictions, if one is sought?
    - How should risks around divergence be addressed?
    - Different interpretations of legislation, including HRA?
- Approaches to EIA / EoR, Community Benefit, Marine Net Gain
- Energy Bill, BESS and OWEIP
- "England-centric" ? E.g. Tim Pick report "*The processes for consents devolved to Scotland and Wales have similar features*".

Workshop Template

Identify and categorise - with developers, SNCBs and regulatory bodies - the main types of planning / consenting challenges facing offshore wind (both fixed and floating foundations)

What's happening here?

Round 4 leasing **c.8GW** East Coast Yorkshire and North West, R3 extensions

Government ambition of 5GW of floating wind by 2030, Celtic Sea leasing **4 GW of floating**

What else is happening which will affect these frameworks?

Environment Outcomes Reporting (Levelling Up and Regeneration Bill)
Marine Net Gain
Grid reform
BESS / Energy Bill / OWEIP

What are the main planning / consenting challenges?

Historic lack of strategic planning (SEA, MSP) ?
Cumulative Impact Assessment and HRA – Secretary of State delay, applicants applying too early? (note new NPS requirements), application variations post-consent
Habitats Regulations – new features (floating wind)
MPAs and their protection
Proportionate EIA
Lack of pragmatic, proportionate guidance?
Resources and skills
Uncertainty – EoR, Marine Net Gain, grid reform
Grid – onshore planning
Other consents – port upgrades

What are the key policy and legislative frameworks we're working within?

Planning Act 2008 – DCO – National Policy Statements – "CNP"
Marine and Coastal Access Act 2009 – Marine Licence, UK Marine Policy Statement, Marine Plans
Conservation of Habitats and Species Regulations 2017
The Infrastructure Planning (Environmental Impact Assessment) Regulations 2017
The Marine Works (Environmental Impact Assessment) Regulations 2007 (amended 2011 and 2017)

What are the strengths and opportunities of this framework?

Marine Licence can be embedded in DCO, set determination period (!)

What is being done well here (and elsewhere) ?

Strategic approaches to HRA (TCE)
Enabling activities, Celtic Sea (TCE)
Netherlands – grid infrastructure consenting

Other studies / reports? What do we feel about them?

ORE Catapult – floating wind
Seizing our opportunities (Tim Pick report)

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Workshop Template

Identify and categorise - with developers, SNCBs and regulatory bodies - the main types of planning / consenting challenges facing offshore wind (both fixed and floating foundations)

What's happening here?

Celtic Sea leasing 4 GW of floating, Round 4, extension projects
Strategic net exporter of power (32.5 TWh generation v 14.6 TWh consumption)
Target for 70% renewables by 2030 (Need an additional 1.6-1.8 GW to reach goal)
Cancellation of two large Round 3 Development zones

What else is happening which will affect these frameworks?

Uncertainty over the Retained EU Law (Revocation and Reform) Bill e.g. https://www.gov.wales/sites/default/files/publications/2023-04/the-retained-eu-law-revocation-and-reform-bill.pdf

What are the main planning / consenting challenges?

Consenting complexity – varies according to location and capacity – DCO vs DNS, separation of marine licence from DCO e.g. Swansea Bay Tidal Lagoon, projects outside of Welsh waters making landfall in Wales (Celtic Sea grid connections) – alignment of processes, separate marine licence
Marine planning – Strategic Resource Area – implementation and guidance
Habitats Regulations – new features (floating wind)
New entrants – Celtic Sea – lack of guidance
Applicant amendments post consent e.g. Awel Y Môr
Resources and skills
Grid – onshore planning
Other consents – port upgrades e.g. Pembroke Dock
Lack of compulsory acquisition powers under DNS process

What are the key policy and legislative frameworks we're working within?

Planning Act 2008 – Development Consent Order (>250MW) - National Policy Statements – "CNP"
Marine and Coastal Access Act 2009 – Marine Licence (cannot be incorporated into DCO), UK Marine Policy Statement, WNMP,
Planning (Wales) Act 2015 (Developments of National Significance, DNS, sub-350 MW)

What are the strengths and opportunities of this framework?

DNS / marine licence provides a proportionate approach to smaller (floating?) projects, statutory time period for decisions (although NB marine licence)

What is being done well here (and elsewhere) ?

Enabling activities, Celtic Sea (TCE)
Netherlands – grid infrastructure consenting

Other studies / reports? What do we feel about them?

ORE Catapult – floating wind
Seizing our opportunities (Tim Pick report)
BESS / Energy Bill / OWEIP
Upcoming - Welsh Government / NRW review of consenting - https://www.gov.wales/renewable-energy-deep-dive-biannual-recommendations-update-1-consenting-and-licensing-html

Workshop Template

Identify and categorise - with developers, SNCBs and regulatory bodies - the main types of planning / consenting challenges facing offshore wind (both fixed and floating foundations)

What's happening here?

3.5GW Offshore wind (as of Nov '22)
Scotwind c. **25GW** (Options as of Jan '22)
INTOG awards (13 projects)

What else is happening which will affect these frameworks?

Uncertainty over the Retained EU Law (Revocation and Reform) Bill e.g. https://www.parliament.scot/-/media/files/legislation/bills/lcms/retained-eu-law-revocation-and-reform-bill/legislative-consent-memorandum.pdf

What are the main planning / consenting challenges?

Stop / start nature of leasing process means consenting process faces unprecedented volumes
Fragmentation of consent (offshore vs onshore)
Absence of statutory determination period
Habitats Regulations – new features (floating wind)
New entrants – lack of guidance
Resources and skills
Grid – onshore planning
Other consents – port upgrades
Lack of compulsory acquisition powers until later in process
Lack of alignment between CES awards (25GW) and plan level HRA (10 GW)
Commercial fisheries?

What are the key policy and legislative frameworks we're working within?

Fragmented and outdated legislative process - s.36 Electricity Act 1989 & Marine & Coastal Access Act 2009 (offshore) / Marine (Scotland) Act 2010 (inshore)
Planning permission (onshore)
Good coordination between consenting bodies on two main two consents but legislative triggers for planning inquiry mean many developers seek onshore planning permission for cables
No statutory determination periods
Absence of compulsory acquisition powers until later in process
UK Marine Policy Statement / National Marine Plan

What are the strengths and opportunities of this framework?

Absence of determination period allows time to resolve issues

What is being done well here (and elsewhere) ?

Marine Sectoral Plan and iterative plan process
Marine Scotland Cumulative Effects Framework tool
Netherlands – grid infrastructure consenting

Other studies / reports? What do we feel about them?

ORE Catapult – floating wind
Seizing our opportunities (Tim Pick report)
BESS / Energy Bill / OWEIP

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Appendix 3 Stakeholder questionnaire (summer 2023)

Offshore Wind Industry Council. Pathways to Growth: Identifying policy and legislative barriers to offshore wind deployment

Thank you for taking the time to complete our survey, by doing so you are providing valuable information regarding the barriers to consenting offshore wind projects.

The deadline for completing this survey is Wednesday 9 August. You can save your progress and resume this survey at a later date, to do so please complete the page you are on and click 'Next' before exiting.

If you have any questions regarding this survey or the study in general please contact Henry at henry@aeosconsulting.com

Study Background:

The continued deployment of offshore wind at scale forms a vital part of the UK's strategy to achieve its 2050 Net Zero targets. The consenting challenges to these ambitious targets are formidable, but significant opportunities are also presented by proposed regulatory and policy reforms, with the potential for more proportionate processes through the revision of legislation and both statutory and non-statutory guidance.

OWIC have commissioned the team comprised of Aeos Consulting Ltd and Deloitte LLP to undertake a study to identify the barriers and opportunities to consenting offshore wind projects. The team are taking the approach to engage with developers, Governmental bodies and relevant stakeholders across the jurisdictions of England, Scotland, Wales and Northern Ireland. A final report and set of recommendations is scheduled for submission in Autumn 2023.

Following the video workshops across the jurisdictions in May and June, we agreed the study challenges. A deep dive review into those challenges is now taking place through this online stakeholder questionnaire, incorporating feedback into the study analysis, and inviting stakeholders to a second round of video workshops. A third and final round of video workshops will be held after the Summer to report the findings of the study.

Study Team Background:

Aeos Consulting and the Deloitte Real Assets Advisory team have partnered to combine their extensive experience in marine consenting, town planning, and consultation and engagement.

Aeos is an infrastructure consenting and communications consultancy, formed in 2022, whose founding partners, Andrew Prior and Emily Marshall, have decades of experience in offshore wind, having worked on many of the UK's most innovative Round 2 and 3 projects, including for Ørsted, Mainstream and Equinor.

As one of the world’s largest professional services firms, Deloitte’s principal purpose is to make an impact that matters for its clients, people and society. Deloitte has a long history of advising on some of the most complex, challenging and high-profile major schemes and infrastructure projects across the UK, with a proven ability to overcome complex land use and energy infrastructure challenges and provide value for money.

The two project leads, Andrew Prior (Aeos) and Liz Wells (Deloitte), have been actively engaged on post-Brexit regulatory and legislative initiatives as subject matter experts, including through leadership of the National Infrastructure Planning Association's (NIPA) Policy and Practice Working Group and through membership of the Planning and Environment Expert Advisory Group for the Offshore Transmission Network Review (OTNR) chaired by BEIS.

Appendix 3 Stakeholder questionnaire (summer 2023)

Offshore Wind Industry Council. Pathways to Growth: Identifying policy and legislative barriers to offshore wind deployment

About you

You do not have to supply personal details and no personal information will be shared in the reporting of our study findings. However, it may enable us to understand the context of your feedback and, if required, will enable us to contact you regarding your feedback as part of our deep dive study. Your personal details will be stored in compliance with the GDPR by Aeos Consulting Ltd and Deloitte LLP and will not be shared with third parties.

1. Personal details

Name

Company

Email Address

2. How would you describe your interest in the offshore wind sector?

- ◯ Regulator
- ◯ Statutory Organisation
- ◯ Developer
- ◯ Other (please specify)

3. Have you attended one of our video workshops?

- ◯ Yes
- ◯ No

4. If you did attend one of our video workshops, which one?

- ◯ Developer workshop
- ◯ England stakeholder workshop
- ◯ Scotland stakeholder workshop
- ◯ Wales stakeholder workshop

5. Which jurisdiction do you represent?

- ◯ England
- ◯ Scotland
- ◯ Wales
- ◯ Northern Ireland
- ◯ Multiple jurisdictions

Appendix 3 Stakeholder questionnaire (summer 2023)

Offshore Wind Industry Council. Pathways to Growth: Identifying policy and legislative barriers to offshore wind deployment

Key statements

At the video workshops, we shared two key assumptions underpinning the study. These are stated below.

6. **Fundamental Assumption**

Climate Change represents one of the most significant threats to human and biological environments; with our abundant wind resource across all four jurisdictions, offshore wind has a crucial role to play in mitigating climate change and meeting the Net Zero challenge while ensuring that nature recovery can be delivered

Do you:

- ◯ Strongly agree
- ◯ Agree
- ◯ Disagree
- ◯ Strongly disagree
- ◯ Unsure
- ◯ No opinion

Please explain your answer:

7. **Principle Assumption**

Improving the "System Architecture" (the legislative and policy frameworks governing the relationship between all the elements of an offshore wind project) will deliver a more efficient route to achieving decarbonisation targets, and 50GW of OSW by 2030 (recognising that targets vary across the jurisdictions). This is true of the both the marine and terrestrial environments, across the whole project lifecycle.

Do you:

- ◯ Strongly agree
- ◯ Agree
- ◯ Disagree
- ◯ Strongly disagree
- ◯ Unsure
- ◯ No opinion

Please explain your answer:

Appendix 3 Stakeholder questionnaire (summer 2023)

8. Do you believe the current policy and regulatory framework and reforms will enable offshore wind consenting in the short term i.e. 2-3 years?

- ◯ Strongly agree
- ◯ Agree
- ◯ Disagree
- ◯ Strongly disagree
- ◯ Unsure
- ◯ No opinion

Please explain your answer:

9. Do you think that the conversation during the video workshop you attended represented your general views on the issues discussed?

- ◯ Strongly agree
- ◯ Agree
- ◯ Disagree
- ◯ Strongly disagree
- ◯ Unsure
- ◯ No opinion
- ◯ I did not attend a video workshop

Please explain your answer:

10. Were there any topics discussed at the workshops that you particularly disagreed with?

- ◯ Yes
- ◯ No
- ◯ Partly

Please explain your answer

Appendix 3 Stakeholder questionnaire (summer 2023)

Offshore Wind Industry Council. Pathways to Growth: Identifying policy and legislative barriers to offshore wind deployment

Informing our deep dive study

Our thesis is that the "building blocks" of the consenting process do not have a firm foundation and drive unhelpful behaviours. We want to explore that system architecture, consider the interaction between the different regimes and the relationships between the building blocks. To help us do this, we have posed the following four groups of questions.

Group one: System architecture

11. The significant benefits of offshore wind are recognised, however given increased users and uses of the sea (including marine conservation drivers), greater consideration and clarity are required in respect of the management of priorities at the strategic level.

Do you:

- ◯ Strongly agree
- ◯ Agree
- ◯ Disagree
- ◯ Strongly disagree
- ◯ Unsure
- ◯ No opinion

Please explain your answer:

12. Is there a need for a more coherent and strategic marine planning process in the jurisdiction you represent?

- ◯ Yes
- ◯ No
- ◯ Don't know

If you answered yes, please explain the areas you think are important for that strategic marine planning to consider.

Appendix 3 Stakeholder questionnaire (summer 2023)

13. Is there a need for a more coherent, well-resourced Strategic Environment Assessment (SEA) process?

- ◯ Yes
- ◯ No
- ◯ Don't know

Please explain your answer:

14. Do you think that the Crown Estate's strategic approach to seabed leasing in the Celtic Sea represents a good model for strategic marine planning for other jurisdictions to draw upon?

- ◯ Strongly agree
- ◯ Agree
- ◯ Disagree
- ◯ Strongly disagree
- ◯ Unsure
- ◯ No opinion

Please explain your answer:

Appendix 3 Stakeholder questionnaire (summer 2023)

Offshore Wind Industry Council. Pathways to Growth: Identifying policy and legislative barriers to offshore wind deployment

Group two: Policy alignment

15. To what extent do you agree that national and devolved targets and policies are aligned?

- ◯ Strongly agree
- ◯ Agree
- ◯ Disagree
- ◯ Strongly disagree
- ◯ Unsure
- ◯ No opinion

Please explain your answer:

16. Do you think there is an absence of policy and/or guidance for the prioritisation of the diverse range of targets e.g. net zero, energy mix, grid, biodiversity, marine industries?

- ◯ Strongly agree
- ◯ Agree
- ◯ Disagree
- ◯ Strongly disagree
- ◯ Unsure
- ◯ No opinion

Please explain your answer:

17. Do you think that a hierarchy of policy targets would facilitate decision making and help the deployment of offshore wind?

- ◯ Strongly agree
- ◯ Agree
- ◯ Disagree
- ◯ Strongly disagree
- ◯ Unsure
- ◯ No opinion

Please explain your answer:

Appendix 3 Stakeholder questionnaire (summer 2023)

18. If you do agree with Question 17, should those policy targets include long-term national targets for offshore wind deployment, aligned with CfD allocation rounds, with sub-targets specific to each devolved administrations?

- ◯ Strongly agree
- ◯ Agree
- ◯ Disagree
- ◯ Strongly disagree
- ◯ Unsure
- ◯ No opinion

Please explain your answer:

Appendix 3 Stakeholder questionnaire (summer 2023)

Offshore Wind Industry Council. Pathways to Growth: Identifying policy and legislative barriers to offshore wind deployment

Group three: Regulatory reforms

19. "The Government's proposed Offshore Wind Environmental Improvements Package (OWEIP) will reduce consenting times for offshore wind"

Do you?

- ◯ Strongly agree
- ◯ Agree
- ◯ Disagree
- ◯ Strongly disagree
- ◯ Unsure
- ◯ No opinion

Please explain your answer:

20. Generally, across the offshore wind sector, challenges with ornithological cumulative assessments have been raised. NatureScot is proposing, through the Cumulative Effects Framework (CEF) an approach to managing cumulative impacts for ornithology. Do you believe this will improve the assessment process?

- ◯ Strongly agree
- ◯ Agree
- ◯ Disagree
- ◯ Strongly disagree
- ◯ Unsure
- ◯ No opinion

Please explain your answer:

Appendix 3 Stakeholder questionnaire (summer 2023)

21. "The recently introduced Infrastructure (Wales) Bill, if enacted, will improve consenting of offshore wind in Welsh waters."

Do you:

- ◯ Strongly agree
- ◯ Agree
- ◯ Disagree
- ◯ Strongly disagree
- ◯ Unsure
- ◯ No opinion

Please explain your answer:

22. Across these regulatory reforms, the emphasis remains on the importance of the speed of consenting. Do you agree that speed of decision making is the main barrier to deployment of offshore wind?

- ◯ Yes
- ◯ No
- ◯ Don't know

Please explain your answer:

Appendix 3 Stakeholder questionnaire (summer 2023)

Offshore Wind Industry Council. Pathways to Growth: Identifying policy and legislative barriers to offshore wind deployment

Group 4: Market led approach

23. "The volumes and timings of offshore wind projects entering leasing, consenting and Contracts for Difference (CfD) rounds are not aligned."

To what extent to do you agree?

- ◯ Strongly agree
- ◯ Agree
- ◯ Disagree
- ◯ Strongly disagree
- ◯ Unsure
- ◯ No opinion

Please explain your answer:

24. Some other markets provide a more strategic approach to consenting, for example in the Netherlands the process for grid, environment and subsidy rounds are aligned. What good practice examples of a strategic approach to consenting and project delivery have you seen?

Appendix 3 Stakeholder questionnaire (summer 2023)

Offshore Wind Industry Council. Pathways to Growth: Identifying policy and legislative barriers to offshore wind deployment

Thank you for completing our survey. We will be in touch regarding the next phase of this study.

Appendix 4

Detailed stakeholder workshop feedback

Developer Workshop

Feedback on the system architecture

Two key themes emerged in respect of System Architecture, those of:

- Co-existence; and
- Strategic Planning

Developers acknowledged that balancing the tension between environmental protection and economic growth was a complex challenge, with all marine users having different priorities and expectations. It was considered that the relative immaturity of the marine planning process was hindering progression due to the absence of a clear policy framework able of prioritising competing interests or promoting principles of co-existence.

It was identified that achieving co-existence between marine users was critical to the health of the marine environment, but that a level of pragmatism and political decision making (formalised by appropriate policy) was required to manage conflicts between non-compatible activities. In particular, the challenges of the co-existence of the fishing industry and offshore wind was highlighted regularly. There was a recognition that there are clear ambitions for co-existence, but the marine planning process lacks policies and guidance to deliver them. To this end, it was suggested that there was the potential to explore issues at a greater level of detail, including co-locating protected areas, for example, within wind farm lease areas. It was raised that this issue is particularly important for the installation of floating wind farms as it has not yet been fully established whether commercial fishing can continue within the boundaries of floating projects after installation.[3]

The mechanism of strategic planning was felt to be the most appropriate way of addressing the challenges of competing interests in the marine environment, however it was unanimously accepted that the process requires significant improvement. One suggestion was for a focus on the regional marine planning process, as national plans lack local context and identification of specific spatial challenges (e.g. around coexistence and prioritisation of activities). A well-developed strategic planning process would also acknowledge that in some cases co-existence cannot be possible and competing activities will need to be prioritised in the political and policy arena.

Another area of improvement identified by various stakeholders was around fisheries liaison, with requests for an update to the Fishing Liaison with Offshore Wind and Wet Renewables Group (FLOWW) guidance.[6] Such guidance, participating developers felt, would need to be developed collaboratively with both the offshore wind industry and the fishing industry.

A stakeholder raised an example of a co-existence plan that was placed as a pre-construction condition on a FLOWW test site in the Celtic Sea. They continued that there is a need for clear strategic guidance on the necessary elements of the plan, as well as the level of detail that would be required to satisfy the competing interests. Finally, a developer advocated for the MMO, as a facilitator of fishing

6 It should be noted that this review process, although not initiated at the time of the workshop, was underway at the time of publication of this report. It is anticipated that the updated guidance will be available later in 2024.

vessel data, to deliver an evidence-based approach, advising developers where fishing activities occur. They argued that this would reduce the risk of conflict as design decisions can be informed by this spatial data, with potential to avoid important fishing areas entirely.

Developers felt that the current system resulted in "boom and bust" cycles, with periods of rapid growth (particularly focussed on leasing rounds) followed by cyclical decline. These cycles exacerbated areas of potential conflict, for example, between the wind and fisheries industries. It was argued that a more sequential, considered process that leases fewer, more proportionate, areas of the seabed, on a more regular, scheduled, basis could assist with the management of tensions with stakeholders created during the long run-up to leasing decisions. This user tension, developers felt, put them on the defensive, with conflicts arising with other industries well before sites were awarded.

There was, furthermore, a lack of integration between the planning for leasing rounds and the subsequent consenting processes which followed award. Many potential consenting challenges could often be best addressed through the leasing process, rather than being postponed, where the onus for resolution became placed on both developers and stakeholders after the key strategic decision of site location had already been made.

The Crown Estate's pending Round 5 Celtic Sea Leasing process was signposted by participants in the workshop as a potential model for good practice and provided the opportunity to learn from this more measured, strategic, and planned approach, compared to, for example, the Scotwind process. The relationship between data and policy was also explored, again by reference to the Celtic Sea leasing round, with it being felt important that policy should react to up-to-date evidence, particularly in respect of potential environmental effects.

It was widely considered by the workshop groups that a pragmatic approach to environmental impact assessment (EIA) was required to focus resource and simplify consenting for future projects. It was suggested that this would be achieved by a more informed, pragmatic, and well-resourced scoping process, removing the need to assess many areas of evidenced negligible impact from the EIA process. Attendees argued this would alleviate pressures on both regulators and developers, as the length of consent applications would be shortened significantly. The value of the scoping process would be enhanced by both applicants and consultees collaboratively identifying the key consenting risks for a project and how those risks could be mitigated.

Overall, it was recognised that each leasing round to date had adopted different rules and approaches to accommodate commercial demands, political pressures, stakeholder concerns and the evolving evidence base. However, the strategic drivers behind the area and value of seabed being leased were often not transparent. Those drivers were sometimes poorly evidenced (again Scotwind was highlighted) and often appeared to conflict with marine spatial planning principles, potential environmental impacts, available resources or stakeholder concerns.

Feedback on policy alignment

In respect of policy alignment, the principal theme was that of lack of co-ordination, covering both targets and goals on matters such as Biodiversity Net Gain (and emerging rhetoric and guidance on Marine Net Gain), Devolved Administration policy powers and the emerging revised energy National Policy Statements ("NPS").

The Netherlands was cited as an example, whereby spatial plans were in place prior to embarking on both the grant of concessions and consent. Participating developers felt that the UK was often trying to manage issues in parallel, with, for example, policy being developed in tandem with consenting decisions, thereby increasing confusion, and causing delay. To this extent, it was considered that policies which allowed for seabed to be leased more frequently and sequentially, would help reduce stakeholder conflicts and facilitate co-existence.

Further, it was considered that strategic level spatial decision-making earlier on in the process would support timely delivery, particularly with matters of potential conflicts between important habitats, species and fisheries. One stakeholder highlighted the Danish and Swedish models as a good example where geographical allocation of marine areas occurred early on, to ensure that all stakeholders could understand which spaces are important for certain industries. Another stakeholder raised as a good example of spatial management, the identification in the UK of sand eel habitat, which provided clarity to marine users on the relative importance of different areas.

A stakeholder highlighted that some projects were having to undertake multiple assessments as they are in Scottish marine areas but make landfall in England. They attested that this is expensive, puts a strain on resources for both regulators and developers, and is confusing for stakeholders.

3.3.1.3 Feedback on regulatory reforms

Developers observed that a primary barrier to consenting was the lack of collaboration between different regulatory bodies, resulting in delayed responses and processes. Participating developers felt that better co-ordination between responsible government bodies would aid improved and faster decisions by developers. Guidance in respect of key elements of the consenting process was crucial, most notably in respect of the pressing need for proportionate EIA, rather than the focus (at the time of the workshop) on a potentially new regime of Environmental Outcomes Reporting (EoR).

Developers felt that regulators could adopt a more pragmatic and frontloaded approach to consenting, particularly in respect of Environmental Impact Assessment (EIA) and that this was arguably more important than piecemeal attempts to improve the timeframe for consenting decisions proposed in respect of Development Consent Order (DCO) reforms. It was suggested that the approach could be developed through collaboration with regulators, SNCBs, and developers to find which issues do not need assessment and can be standardised across the industry. This would expedite consenting decisions and lessen the demand on resources.

There was broad support for proposed grid reforms, particularly the proposed "queue management" system, which would prioritise projects with the earliest grid connection dates, helping accelerate energy reaching the grid. However, the lack of alignment between grid planning and seabed leasing was noted, particularly in respect of the Scotwind projects.

England Workshop

General feedback on system architecture

The key themes concerning system architecture related to baseline evidence, community involvement, and policy targets and pathways.

Stakeholders felt that decision-making was hampered when there was ambiguity or disagreement on underlying evidence and processes. This uncertainty increased the risk of legal challenge and, more widely, was counterproductive to the delivery and deployment of offshore wind.

Attendees articulated that it was important for the government to set clear targets for the development of offshore wind beyond 2030, without which it was considered that the justification of offshore wind leasing and future activities was increasingly difficult. Clear objectives and targets through the provision of an explicit roadmap are necessary to achieve the relevant Habitats Regulation Assessment (HRA) derogation tests. Whilst acknowledging the resource this would require, it was considered this would add long term value to the process. A connected issue was that the absence of longer-term carbon budgets and energy targets is adding to the challenges around the HRA "needs" case for offshore wind, again relevant to the issue of broader objective setting.

Attendees expressed concern at what they felt was insufficient community involvement and use of the local resources and supply chain, observing that the benefits for host communities for offshore wind were ambiguous at best. It was argued that the government should strategically address community concerns instead of them being addressed at the individual project level during consultations and examinations. By resolving the above issues, developers felt that local resistance to projects could be reduced. This was clearly most significant in respect of onshore grid, where stakeholders felt that emerging proposals on relatively low levels of community benefit payments were unlikely to resolve challenges.

It was further discussed that the policy landscape was changing at speed, making it harder for the industry to react strategically. One stakeholder argued that the need for secondary legislation, and uncertainty about its timing, is adversely affecting the ability to plan. They hoped to see government guidance provided on how new legislation and policy should be interpreted. Without such guidance, there is doubt regarding what role each sector should play in achieving policy ambitions.

The Offshore Transmission Network Review was also discussed, and attendees suggested that this is an example of a potentially positive reform to the system architecture. However, it was noted that the pathway to delivery was unclear and required further information due to the implications it would have on consenting, especially for developers.

Feedback on policy alignment

Attendees considered that any new policy needed to be consistent with international commitments such as biodiversity conventions. Also highlighted were shipping policies which are governed by international conventions, limiting the changes that the UK government can make to such policies.

In addition, it was noted that there is a lack of consistency in marine licenses being granted in different devolved jurisdictions, particularly when it came to matters such as export cable landfalls. A stakeholder noted that the process of this licensing is currently untested, and guidance will be required to provide clarity.

Two stakeholders advised that policy feedback loops are required to ensure that future decision making can be improved and that this is something that the UK processes have not yet achieved.

Feedback on regulatory reforms

Workshop attendees considered that a holistic approach is necessary when considering policy and regulatory reforms that are intended to manage the many barriers to obtaining consent; however, approaches are currently piecemeal. There was a need for decision makers to reach consenting decisions in accordance with clear, unambiguous policies, however the intended operation of proposed reforms was often poorly articulated or overly focused on narrow issues (for example the speed of consenting decisions) without reference to wider structural challenges.

Furthermore, stakeholders were keen to stress that speed is not equivalent to quality. It was argued that fast-tracking and accelerating the consenting process is not enough if the surrounding processes, evidence, and decision-making are not there to support it. There is a risk that if the underlying evidence and process are not improved, it could result in less robust decisions and increase the risk of legal challenges. This could be counter-intuitive to the overall goal of getting more offshore wind consented and deployed.

Proposals for Environmental Outcome Reporting (EoR) were not generally considered favourably by the stakeholder group, although the need for improving the Environmental Impact Assessment (EIA) process was acknowledged.

Scotland Workshop

Feedback on System Architecture

Renewable Energy Hierarchy and Energy Contribution

Multiple participants expressed their concern regarding the lack of clarity on how offshore wind energy, along with other renewable energy sources, will contribute to the Net Zero targets set for Scotland and the UK as a whole.

A key issue raised by stakeholders was the absence of clear targets for Scotland's contribution to the UK's overall Net Zero energy mix. There are no targets for post-2030 when the bulk of offshore generation capacity will be deployed. Projects may struggle to pass HRA alternatives tests as there is no clear definition in what they are contributing to. Another stakeholder agreed with this, highlighting that this issue is especially pertinent in Scotland due to the wider range of renewable resources, which can contribute to targets and thus provide alternatives to offshore wind.

By way of example, a stakeholder felt that more emphasis was given to smaller onshore wind sites by Scottish Government, in contrast to the larger potential generating capacity located offshore. A participant suggested that the Scottish Energy Plan could address this issue by providing clear guidance as to what contributions various energy sources would make to the targets. A clear and ambitious post-2030 target, regularly reviewed, could deliver improved levels of certainty for industry.

A related issue raised by a stakeholder for Scotland is that it is part of the UK energy system and is likely to become a net exporter of electricity. The country's generation capacity cannot therefore be considered on its own.

A participant attested that improved clarity of targets would support the creation of a hierarchy of use for various offshore industries. They continued that the Scottish National Marine Plan 2 (NMP2) should provide clear and objective policies to resolve potential conflicts between offshore wind farm developers

and stakeholders. Sectoral plans would then draw on these policies to delineate which spaces should be used for which industries. This point was agreed upon by another stakeholder who stated that marine spatial planning is key to achieving the coexistence of, or management of conflicts between, marine users. A different stakeholder advocated this approach and expressed their view that the principle aim of NMP2 will be to provide clarity on the prioritisation of marine users, and guidance on the resolution of conflicts. They explained that this was necessary as current policy leads to disagreements, as conflicting industries can selectively find guidance which supports their specific needs.

In the context of Scotland becoming a net exporter of electricity, it was further recognised that consenting projects with a primary objective of exporting to Europe could be challenging unless clear policy goals for this export were articulated and agreed between national governments, including at UK and European level. Without this clear policy, HRA derogations may be difficult to sustain.

Returning to home export markets and transmission connections to the main areas of demand in the UK, acknowledgement was given to the difficult capacity constraints on links to connect to the Southeast of England. Multiple attendees expressed that grid capacity as a whole is a major barrier, and that the whole of the UK's grid infrastructure needs improvement.

Scottish Independence and alternative export markets

A stakeholder highlighted that the implications of possible Scottish independence on energy export were uncertain, increasing project risk. They suggested that if access to the UK market became less preferred, for example because of political negotiations, it would be difficult to demonstrate the value of developing offshore wind, given one its primary purposes would be for the export of surplus energy.

Habitats Regulation Assessment (HRA) and Targets in Scotland

Attendees considered that there was emerging evidence that the predictions which inform environmental assessment, and particularly HRA, are too precautionary. The environmental assessment process would benefit from being more pragmatic, with two stakeholders agreeing that improved scoping would minimise consenting risk.

Multiple attendees agreed that there is a high likelihood of Scotland reaching its 2030 offshore wind target of 11GW. It was argued, therefore that the industry could be more circumspect in its development trajectory, taking the opportunity for projects to learn the lessons of preceding ones. They stated that, with the correct monitoring, improved spatial management could be achieved, leading to superior choices for locating wind farms, which would also assist with grid management. This in the long term would contribute to meeting both the 2030 offshore wind target and accelerate the Scottish 2045 net-zero target.

Resources

It was also acknowledged by multiple stakeholders that there is a shortage of skills and resources in the industry, and particularly in regulators and stakeholder organisations, which exacerbates other issues and increases the risk of offshore targets not being achieved.

Feedback on Policy Alignment

The discussions regarding policy alignment focused primarily on Scotland's contribution to the UK's targets. There was acknowledgment from multiple stakeholders that Scotland has abundant energy

resources, but there was a lack of transparency on how these translated into the wider UK energy target mix. Two participants called for explicit guidance from Westminster on the role that Scotland should play in the deliverance of UK energy targets.

Attendees also noted that the UK's Levelling Up and Regeneration Bill (LURB) lacked sufficient details on how energy targets were to be achieved. A stakeholder considered that this lack of detail was problematic in the context of the need for Holyrood to pass a Legislative Consent Memorandum (LCM). [7]

A stakeholder also stated that there is a desire in Scotland to align marine and terrestrial consents, but different devolved settlements for various policies are creating issues in achieving this alignment. This would include the need for alignment should Environmental Outcomes Reporting (EoR) be progressed in England.

Feedback on Regulatory Reform

In respect of regulatory reform, multiple workshop attendees expressed the view that wholesale legislative reform is not necessary (other than in respect of the proposed changes to the s.36 regime), as the offshore wind industry has been successful thus far, but rather there is the need to use the existing policies more effectively. This relates back to the views expressed in Section 3.3.2.1 that improved monitoring and a deliberative approach of consenting projects would allow the improvements to be made to the overall process, which would streamline consenting in the long term.

Some stakeholders felt that reform should concentrate on Contract for Difference ("CfD") rather than the consenting regime per se, as it was felt that the CfD process, when coupled with very large capacity leasing rounds (such as Scotwind), engenders a competitive environment which results in a 'boom and bust' situation. This is in conflict with a more optimal iterative and deliberative approach. A participant elaborated on this issue, arguing that consistent consenting of 2GW per year would be the optimum solution for market certainty and delivery of a pipeline. They continued by stating that this would help alleviate resource issues within the supply chain.

As discussed above, a stakeholder expressed concern that the UK HRA reforms do not support the development of offshore wind projects for the purpose of exporting to the wider UK market or to Europe This is problematic because potential offshore wind projects in Scotland will primarily be generating electricity for export to non-Scottish markets.

One point of legislation that a stakeholder expressed should be reformed is the public inquiry process in relation to sections 36 and 37 of the Electricity Act 1989. They argued that the provisions that require an automatic public inquiry if a local planning authority objects to an application is disproportionate, increases consenting risk and results in delays in consenting. They noted that changes to this legislation may need to occur in the Westminster Parliament as this legislation is not devolved.[8]

Wales Workshop

Feedback on System architecture

The key theme in relation to system architecture was that offshore wind in Wales is relatively novel compared to the other UK jurisdictions.

7 It should be noted that Royal Assent for the LURB subsequently was achieved after this workshop but implementation in Scotland has not yet taken place at the time of writing this report.

8 Since the workshop, the issue of s.36 reform has been progressed independently, building on representations from Scottish Renewables and others, including in the findings of the Electricity Networks Commissioner's report of August 2023 (the "Winser recommendations")

An attendee highlighted that significant uncertainty arises because the process of granting and securing marine licences for offshore wind projects in Welsh waters has been historically unclear and, at the time of the workshop, was under review. It was acknowledged, however, that the Net Zero Wales Strategic Plan does set clear targets and recognises the importance of offshore wind.

A participant also acknowledged that Welsh stakeholders are likely to experience new challenges as offshore wind looks to operate in deeper waters, further from the coastline, where there is less evidence in respect of potential interactions with the environment. This is related to both fixed base and floating wind installations. They continued that this also means that there is a lack of understanding of the necessary environmental mitigation which may be required. Attendees also accepted that the Celtic Sea is a relatively new area for the sector and as such evidence was still being gathered and tested on the acceptability or otherwise of offshore wind and other marine users.

Finally, a stakeholder raised that the protected coastline in Wales is limiting the possible locations where export cables can land. They stated that as a result, there is a need for a review of compensation for environmental impacts as there is a knowledge gap on how this process would work. The example given was the potential need for compensatory measures for sandbanks designated for their nature conservation interest.

Feedback on Policy Alignment

It was acknowledged by stakeholders that the Welsh marine licensing process and DCO process are not aligned, and even if a DCO is granted for the project, a separate marine licence is then required for the marine component, granted by Natural Resources Wales on behalf of the Welsh Ministers. Stakeholders agreed that this can cause delays to consenting and increase uncertainty and the consenting risk profile. It contrasts to the English regime where a marine licence can be incorporated into the NSIP decision making process and deemed to be granted as part of the DCO.

A stakeholder highlighted that there is work being undertaken with DESNZ to identify opportunities to streamline the DCO and marine licensing process. This includes deferring the EIA decision making to the Secretary of State.

Feedback on Regulatory Reforms

In respect of regulatory matters, a stakeholder expressed that the principles of the Habitats Regulations Assessment (HRA) should be clarified through guidance and potentially through policy. This is in specific regard to the different interpretations due of the HRA principles across jurisdictions. By providing clear guidance or a legislative instrument, the interpretations of HRA could be standardised and would support the accelerated deployment of offshore wind across the UK.

A stakeholder highlighted the potential benefits that will arise from the Wales Infrastructure Bill, which will create a unified consenting process for marine and terrestrial infrastructure for projects under 350 MW which are entirely within Welsh territory. They stated that this would be akin to the DCO process. They continued that this should streamline the consenting process, noting that Royal Assent is due mid-2024. Most commercial offshore wind projects are however likely to be above this threshold, so it is unlikely to significantly de-risk the delivery of offshore wind targets.

Appendix 5

Detailed stakeholder questionnaire feedback

System Architecture

Q11: The significant benefits of offshore wind are recognised, however given increased users and uses of the sea (including marine conservation drivers), greater consideration and clarity are required in respect of the management of priorities at the strategic level. Do you agree?

All respondents agreed on the need for greater clarity in managing priorities for offshore stakeholders. This agreement stems from the benefits of offshore wind, increasing pressures on the marine environment, and a desire for an integrated approach to marine spatial planning. There were reported challenges in achieving clarity. These included unclear objectives, which do not create a hierarchy of prioritisation, and lack of involvement from stakeholders in the Marine Spatial Planning process.

One response from a developer operating across the UK (Q11:13) stated that current English marine plans don't prioritise offshore wind or address how projects within leasing zones can be delivered alongside other marine uses. The response suggested that marine prioritisation and planning processes should identify future leasing areas and contribute to establishing the principle of development within them for individual consenting decisions. The response also called for Defra's Marine Spatial Prioritisation (MSPri) programme's outputs to include clear terms of reference, scope, and a review of the UK Marine Policy Statement (MPS) to define a draft vision and priorities for a new UKMPS.

Another UK-wide developer response (Q11:09) called for wholesale reform to spatial management, commenting that there is no clear prioritisation of activities and difficult decisions have been avoided for decades. An example provided would be prioritising floating offshore wind in protected areas to prevent fishing activities which can damage the seabed.

A response from a Scottish Statutory Organisation stated that innovative ways of managing the marine space are needed to achieve Net Zero targets. Without this innovation, current expectations are to facilitate all activities with limited room for such means (Q11:10).

Q12: Is there a need for a more coherent and strategic marine planning process in the jurisdiction you represent?

The majority of respondents agreed on the need for a more coherent marine planning process.

A response from a regional development organisation based in England (Q12:03) critiqued the current marine plan process highlighting that at the regional level the South West marine plan does not include the provision for the national priority of floating wind in the Celtic Sea. The response emphasised the need for regional marine plans to have the flexibility to adjust to new national policies and priorities for the marine space. A UK-wide developer response (Q12:12) agreed with this, arguing that regional marine planning could play an important role in facilitating co-existence and addressing competing demands for the use of marine areas.

The response from the UK-wide developer (Q12:12) stated that Scotland's upcoming National Marine Plan 2 (NMP2) should prioritise and maximise Scotland's renewable energy potential while protecting and enhancing the marine environment. This would address the challenges identified in the review of Scotland's NMP1 and the crises of climate change and biodiversity loss. The response went on to state that NMP2 needs to be consistent with the Sectoral Marine Plan (SMP) to facilitate efficient and effective consenting of offshore wind projects. The need for a clear link between the NMP2 and SMP was agreed upon by a response from a statutory organisation in Scotland (Q12:08) who called for greater coordination between all areas of policy, including terrestrial planning policy.

One response from a developer operating in Scotland(Q12:13) questioned the need for a new marine planning process, citing good relations between developers and other sea users. The response highlighted Moray East, Beatrice, and Moray West, which are progressing with joint monitoring on a strategic basis.

Q13. Is there a need for a more coherent, well-resourced Strategic Environment Assessment (SEA) process?

There was consensus that an improved Strategic Environmental Assessment (SEA) process is necessary and that current approaches represent a missed opportunity and potential waste of significant resource. A response from a UK-wide government policy department highlighted that understanding environmental constraints at the earliest opportunity means that impacts can be avoided, increasing the likelihood of successful consent applications. Another response (Q13:02) from a developer working across the UK stated that an improved SEA process could significantly reduce the burden on developers during the Environmental Impact Assessment (EIA) process. This would allow for a greater focus on key risk areas and a more proactive approach to development.

Several responses suggested improvements to the SEA process. A developer operating across the UK called for the SEA process to provide legally enforceable prioritisation of seabed areas for certain industries (Q13:07). Additionally, a response from a different UK-wide developer (Q13:01) stated that there is a need to improve public sector resources and procurement processes to ensure that organisations that are undertaking SEAs have the correct knowledge and experience.

A developer response (Q7:10) highlighted concerns (also expressed by other stakeholders) that the latest output of the Offshore Energy Strategic Environmental Assessment (OESEA4 – 2022) did not provide a roadmap for delivery of the offshore wind targets or make any recommendations to inform future Crown Estate leasing. It was felt that the OESEA programme needs to be refreshed and strengthened if it is to add value to the leasing and consenting processes.

Q14. Do you think that the Crown Estate's strategic approach to seabed leasing in the Celtic Sea represents a good model for strategic marine planning for other jurisdictions to draw upon?

The Crown Estate's leasing approach in the Celtic Sea was considered a good model for strategic marine planning by most respondents. This is because it frontloads key environmental considerations, reduces spatial conflict with other marine users, embeds HRA requirements and enables early stakeholder engagement.

A limitation was raised by a response (Q14:10) from an English regional developer organisation, which strongly disagreed with the approach. The response stated that the approach limits the availability of survey data for those with leasing success, restricting the benefits to a small group of developers, whereas this data could support wider offshore wind development and address its key consenting risks.

Another limitation raised in a response (Q14:08) by a UK-wide policy department is that the approach lacks coordination with other government efforts such as the Offshore Transmission Network Review (OTNR), MSPri and government environmental commitments, including its international obligations.

Policy Alignment

Q15. To what extent do you agree that national and devolved targets and policies are aligned?

Only 50% of respondents agreed that national and devolved targets are aligned. There was acknowledgement that the devolution settlements do have specific differences and challenges.

A developer who operates in multiple jurisdictions (Q15:07) highlighted a disparity between the Scottish and UK offshore wind targets. Scotland has set a target of generating 8-11GW of offshore wind by 2030, however in order to meet the UK's target of 50GW, Scotland will need to increase its offshore wind capacity beyond its own target range. Another response (Q15:09) from a Scottish statutory stakeholder organisation agreed with this, stating that there is no clarification on what is needed from Scotland to help the UK meet its targets.

A response (Q15:04) from a developer operating in multiple UK jurisdictions stated that UK targets provide certainty for developers and stakeholders. The response continued that consistency across jurisdictions is critical as projects must gain planning consent via the appropriate devolved arrangement but participate in a UK-wide Contract for Difference competitive auction.

Q16. Do you think there is an absence of policy and/or guidance for the prioritisation of the diverse range of targets e.g. Net Zero, energy mix, grid, biodiversity, marine industries?

Respondents highlighted the absence of policy and guidance for the prioritisation of targets, resulting in conflicts when different sectors are trying to achieve their respective targets. A UK developer (Q16:10) commented that policies were seemingly created in isolation without consideration of how the policies would interact.

Two responses stated (Q16:07; Q16:08) that the MSPri workstream by DEFRA will be successful in identifying the strategic priorities. A response (Q11:13) from a developer operating in multiple jurisdictions highlighted however that the scope, objectives, and timescales of the MSPri workstream remain unclear.

Two responses (16:03; 16:05) from UK-wide developers argued that achieving Net Zero should be the highest priority in marine spatial planning and as such offshore wind farms should receive policy preference over other activities. Another UK wide developer response (Q16:12) also supported this policy preference as offshore wind can help achieve multiple targets, unlike other activities.

Q17. Do you think that a hierarchy of policy targets would facilitate decision making and help the deployment of offshore wind?

A small majority (59%) of stakeholders agreed that a hierarchy of policy targets would help decision making and deployment of offshore wind. A response (Q17:04) from a statutory organisation in Scotland argued that a hierarchy of policies would allow for a more effectively planned approach which would assist in achieving long-term aspirations. A response from a developer (Q17:02) stated that a hierarchy of targets would help define policies that govern marine users. This would reduce development uncertainty by ensuring that industry and government are aligned on achieving the same goal.

A single UK-wide developer disagreed with the need for a hierarchy. Their response (Q17:10) argued that it would be difficult to implement and may distract from addressing other policy barriers. For example, a hierarchy could imply that offshore wind development conflicts with biodiversity recovery. Rather than a hierarchy, they suggest that targets should be created to be compatible with other existing targets from the outset.

Respondents suggested that any successful hierarchy would depend on its weighting and structure and should reflect spatial differences at different scales. One response (Q17:13) stated that a UK-wide hierarchy would not be successful but should instead reflect the spatial differences at different scales (i.e. local, regional, national). The response argued that a matrix would be better than a hierarchy as priorities can be variable depending on the relevant challenge to the specific space.

Q18. If you do agree with Question 17, should those policy targets include long-term national targets for offshore wind deployment, aligned with CfD allocation rounds, with sub-targets specific to each devolved administration?

There was no consensus on whether long-term targets should be aligned to CfD rounds.

One developer response (Q18:07) welcomed the idea of long-term deployment targets agreed between the devolved nations with annual CfD rounds. They suggested that the targets should be supported with legislation to ensure bankability and cross-party consensus.

A response from a regional development organisation (Q18:06) agreed with the alignment but suggested that sub-targets should be created for specific regions, going beyond devolved administrations, and taking into account variations in regional resources.

Others disagreed with the approach of aligning long-term targets with CfD rounds. One response from a statutory organisation (Q18:03) based in Scotland called for the CfD process to be re-evaluated and alternative methods to achieve cost reduction that would allow developers to collaborate to be considered.

Another response from a developer working in Scotland (Q18:04) stated that setting policy targets based on CfD allocation rounds may not be an effective approach. They suggested an alternative approach to the CfD process, being responsive to projects that are available to be built at the earliest possible time and allowing them to accelerate development.

Regulatory reforms

Q19. "The Government's proposed Offshore Wind Environmental Improvements Package (OWEIP) will reduce consenting times for offshore wind." Do you agree?

The views regarding the potential of the Offshore Wind Environmental Improvements Package (OWEIP) to reduce consenting times varied widely, as evidenced by the responses cited below. Additionally, respondents from Scotland and Wales noted that the OWEIP may not be adopted or applied in their regions.

A response from a developer working across the jurisdictions highlighted the proposed approach of engaging with SNCBs during the pre-application period – to discuss compensation measures and prepare compensation plans – as a particular benefit of the proposed OWEIP. The response highlighted that strategic compensation may not be appropriate in all circumstances, so a fixed approach should not be mandated. The response stated that there is a need for clear and objective tests to judge the adequacy, appropriateness, and acceptability of proposed compensation measures. A different response (Q19:07) from a statutory organisation working in England agreed that the OWEIP would be successful, but only if developers would adhere to early engagement during the pre-application stage.

Other responses doubted OWEIP's potential to impact timeframes. A response (Q19:12) from a developer operating in multiple jurisdictions stated that the effect may be limited due to a lack of alignment among government departments. For example, they stated it is unclear how the proposals for HRA reform under the OWEIP will interact with DLUHC's work on NSIP reform and with proposals for Environmental Outcomes Reporting. The response called for greater clarity on how different Government departments are working together on proposed changes; this would provide increased certainty as to how all these elements could be aligned, reducing risks around consenting timeframes.

A response (Q19:14) from a UK-wide developer stated that, in theory, OWEIP should be successful in its aims; however, the front loading of early engagement requires resources from SNCBs and regulators that they do not currently have, which would hinder the ambitions of the proposals. This was agreed upon by another developer's response (Q19:09), who argued that until resource issues were resolved within the relevant bodies, consenting times would not be reduced.

Q20. Generally, across the offshore wind sector, challenges with ornithological cumulative assessments have been raised. NatureScot is proposing, through the Cumulative Effects Framework (CEF) an approach to managing cumulative impacts for ornithology. Do you believe this will improve the assessment process?

Responses on NatureScot's Cumulative Effects Framework (CEF) approach to improving the assessment process were divided.

A response (Q20:01) from a statutory organisation based in Scotland stated that the approach would provide an improved prediction of cumulative impacts from which more effective mitigation could be planned. A response (Q20:02) from a developer operating in multiple jurisdictions stated that although the CEF has the potential to improve the assessment process, the tool currently has limitations. For example, changes made to a project will require all data to be re-entered. Additionally,

it is not possible to set up and save a workspace to revisit models once inputs have been entered. The response observed that if these challenges were addressed, the CEF would benefit the industry and improve the assessment process.

A response (Q20:03) from a developer operating in Scotland stated that whilst the CEF would likely be useful for SNCBs since cumulative impacts are often inconsistent between assessments, it does not offer obvious benefits for project assessments nor the consultants who undertake them.

A response (Q20:07) from a developer working in multiple jurisdictions raised concerns regarding the potential double counting of collision and displacement impacts which could result in inflating predicted impacts and generating additional HRA compensation requirements beyond what would otherwise be required. Another response (Q20:10) from a developer operating across the UK welcomed the consistent approach to cumulative assessments but stated that there is a lack of clarity on how stakeholders outside of Scotland could utilise the tool.

Q21. "The recently introduced Infrastructure (Wales) Bill, if enacted, will improve consenting of offshore wind in Welsh waters."

Although the majority of respondents did not have an opinion on the Infrastructure (Wales) Bill, those who did mostly had a positive view. A response (Q21:01) from a developer operating in multiple UK jurisdictions highlighted that the bill would unify the consenting procedure for marine and terrestrial infrastructure. This would allow multiple applications to be considered at the same time. The response stated that this would be a significant benefit for developers.

Response from a Welsh statutory organisation (Q21:02) and a developer (Q21:03) agreed that the bill would improve consenting times but only for projects below 350MW and within the 12nm territorial sea. Both responses highlight that projects within the territorial sea but above 350MW would still require a marine licence, limiting the efficacy of the bill. Another developer response (Q21:04) highlighted this threshold as the reason why the bill will not change the current process.

Q22. Across these regulatory reforms, the emphasis remains on the importance of the speed of consenting. Do you agree that speed of decision making is the main barrier to deployment of offshore wind?

Respondents were split on whether the speed of decision making is the main barrier to deployment of offshore wind. Those who did agree proposed that speed of decision making is a result of other factors. For example, a response (22:02) from a regional development organisation located in England cited a lack of clear guidance and evolving environmental knowledge of key interactions as issues that delay decision making. An England based technical advisor's response (Q22:04) claimed that delays are often caused by disagreements between developers and regulators. A regulator's response (Q22:09) also argued that the speed of decision-making is dependent on the quality of the application and whether it addresses all guidance.

Grid connections were highlighted by several responses as a key barrier to the deployment of offshore wind, including a statutory organisation in England (Q22:07), a statutory organisation in Scotland (Q22:12), developers operating across multiple jurisdictions (Q22:08, Q22:10, Q22:13), and a developer operating in Scotland (Q22:05).

A response (Q22:06) from a developer working in several jurisdictions raised barriers specific to Scotland. These were: the absence of a clear and consistent decision-making framework (i.e. how Section 36 applications are determined against policies and other considerations), the rigidity of the Public Local Inquiry (PLI) process, and the absence of more proportionate application scrutiny mechanisms.

A developer who works across several nations (Q22:08) responded that a barrier to consent is the "unworkable" HRA derogation process and associated compensatory measures.

A response from an English statutory organisation (Q22:07) emphasised that the speed of decision-making should not compromise environmental safeguards.

Market led approaches

Q23. "The volumes and timings of offshore wind projects entering leasing, consenting and Contract for Difference (CfD) rounds are not aligned." To what extent to do you agree?

There was a lack of consensus about whether projects entering CfD rounds are aligned. An England-based regional development organisation's response (Q23:01) highlighted the difficulty of aligning processes with clear time frames such as CfD rounds with those with a less temporal definition. They provided the example that consenting and determination timeframes for offshore wind are project specific. One UK-wide developer's response (Q23:02) stated that enhancing the system architecture could improve alignment.

A UK-wide regulator's response (Q23:06) questioned the need for alignment, as staggering projects reduces the demand and pressures on consultees.

24. Some other markets provide a more strategic approach to consenting, for example in the Netherlands the process for grid, environment and subsidy rounds are aligned. What good practice examples of a strategic approach to consenting and project delivery have you seen?

Several responses praised the Dutch system. The certainty that the system provides was highlighted in responses from two developer responses, one operating in Scotland (Q28:08) and another operating in multiple jurisdictions (Q24:01). Another developer operating across jurisdictions (Q24:09) cited that the Dutch system is a good example of an integrated leasing and consenting process. Drawbacks of the Dutch system, such as reducing innovation and flexibility for developers, were raised in responses from two UK-wide developers (Q24:01; Q24:06).

A regional development organisation's response (Q24:03) highlighted Norway, Denmark, Germany, and France as other countries which demonstrate good practice of consenting and project delivery.

A suggestion for improving the UK process from a UK-wide developer's response (Q24:04) included establishing a 'one-stop-shop' for permitting, the incorporation of strategic environmental assessments, and early engagement with key stakeholders.

A response (Q24:09) from a developer operating in multiple jurisdictions suggested that caution should be taken in seeking to import practices from international regimes as they may not be suitable for the UK's political and governance contexts.

Appendix 6

Glossary of terms

BCA	Bilateral Connection Agreement
BESS	British Energy Security Strategy
BNG	Biodiversity Net Gain
CEA	Cumulative Effects Assessment
CEF	Cumulative Effects Framework
CfD	Contract for Difference
CNP	Critical National Importance
DA	Devolved Administration
DAERA	Department for Agriculture, Environment and Rural Affairs
DEFRA	Department for Environment, Farming and Rural Affairs
DESNZ	Department for Energy Security and Net Zero
DCO	Development Consent Order
DLUHC	Department of Levelling Up, Housing and Communities
EIA	Environmental Impact Assessment
EoR	Environmental Outcomes Reporting
FES	Future Energy Scenarios
FLOWW	Fisheries Liaison with Offshore Wind and Wet Renewables Group
GBN	Great British Nuclear
HND	Holistic Network Design
HRA	Habitats Regulation Assessment
IPR	Iterative Plan Review
JNCC	Joint Nature Conservation Committee
LCM	Legal Consent Memorandum
MMO	Marine Management Organisation
MNG	Marine Net Gain
MRF	Marine Recovery Fund

Appendix 6

Glossary of terms

MPS	Marine Policy Statement
MSPri	Marine Spatial Prioritisation Programme
NMP2	(Scotland's) National Marine Plan Two
NPS	National Policy Statements
NRW	Natural Resources Wales
NSIP	Nationally Significant Infrastructure Project
NSTA	North Sea Transition Authority
OESEA	Offshore Energies Strategic Environmental Assessment
OFTO	Offshore Electricity Transmission
OWAT	Offshore Wind Acceleration Taskforce
OWEIP	Offshore Wind Environmental Improvement Package
OWIC	Offshore Wind Industry Council
P2G	Pathways to Growth
P2G CG	Pathways to Growth Co-ordination Group
SEA	Strategic Environmental Assessment
SMP	Sectoral Marine Plan
SNCB	Statutory Nature Conservation Body
SSEP	Strategic Spatial Energy Plan
TCE	The Crown Estate

The Offshore Wind Industry Council (OWIC), a senior Government and industry forum, was established in May 2013 to drive the development of the world-leading offshore wind sector in the UK. It is comprised of members drawn from the leading UK and global firms in the offshore wind industry, including developers and original equipment manufacturers. The Council oversees and drives the implementation of the Offshore Wind Sector Deal, co-Chaired by Industry and the UK Minister of State for Energy Security and Net Zero.

Aeos is an infrastructure consenting and communications consultancy, formed in 2022, whose founding partners have decades of experience in consenting offshore wind projects, having worked on many of the UK's most innovative projects, including for Ørsted, Mainstream and Equinor as well as globally for the World Bank Group.

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