Consultation Response

A Biodiversity Metric for Scotland's Planning System

Key Issues Consultation

May 2024

About us

Solar Energy Scotland is the trusted industry trade body for solar energy in Scotland. Alongside Solar Energy UK, we represent a thriving member-led community of businesses and associates, ranging from ambitious and innovative SMEs to global brands.

Together with our members, Solar Energy Scotland works to shape policy to realise the potential of solar and energy storage in Scotland, and to work with Government and all stakeholders to deliver on climate change obligations and net zero greenhouse gas emissions by 2045.

Respondent details

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Would you like this response to remain confidential: No

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Introduction

We welcome the opportunity to respond to NatureScot's Biodiversity Metric for Scotland's Planning System consultation. We want to highlight the role of solar energy in achieving biodiversity targets whilst being a key element in Scottish Governments plans to decarbonise.

As the trade association representing the solar and storage energy sector in Scotland, we are committed to ensuring that solar technologies play a central role not just in the clean energy transition but in tackling the twin crises of biodiversity and climate change.

If we are to tackle these unprecedented challenges it is essential that we take a system level view, capitalising on the synergies presented by innovative and integrated approaches to clean energy generation, ecological enhancement, and associated opportunities such as food production. During their operation phase (25-40 years) solar farms are largely undisturbed by people and areas between and outside the panels can be manged for, and highly beneficial to, biodiversity.[1]

In collaboration with Clarkson and Woods, Wychwood Biodiversity and Lancaster University, we have developed a standardised approach to ecological monitoring on solar farms[2] and we encourage all developers to use this.

[1] Solar Habitat 2024: Ecological Trends on Solar Farms in the UK • Solar Energy UK

[2] A Standardised Approach to Monitoring Biodiversity • Solar Energy UK

Consultation Questions

2.1 The principles and rules underpinning the metric's approach.

a) Do you agree with the issues identified?

- Yes, principles and trading rules should be reviewed to reflect a Scottish context where necessary, and how they should be interpreted made as clear as possible. This is important to protect the legitimacy of the Scottish BNG metric claims, and its ability to have a meaningful impact on Scottish habitats and species.

  It would be most effective to set the principles in a Scottish context and build the metric around them to ensure that it is adherent to those principles. The English metric is a complex and imperfect solution which requires the application of the principles and rules to reduce imperfect outcomes. By starting with the principles and building an appropriate metric around them it could be possible to remove some of the complexity which exists within the English metric, and its associated rules, so that it more accurately and efficiently reflects the ambition of Policy 3.

- However, while a Scottish metric should reflect the unique characteristics of Scotland's nature, NatureScot should look for opportunities for alignment between the Scottish metric and the English metric wherever possible, particularly with the core elements of the metric's design. Our concern is that two separate, incompatible regimes for measuring BNG may emerge, which creates additional complexity that could slow down planning timelines and reduce the pool of talent available for developers assessing BNG. A key aim of a biodiversity metric is to channel private finance into nature, which otherwise lack reliable revenue streams needed to make a return on capital. An uncoordinated policy response and unstandardised approach to measuring biodiversity gain and losses across the UK could limit market development as investors cannot be certain of the quality of a Biodiversity enhancement claim. It should be noted that solar farms offer fantastic opportunities to boost biodiversity, as soil can recover from intensive use and heavy grazing. Wild meadow type habitats, which can be commonly incorporated into solar farm developments, can greatly improve wildlife, particularly for insects, pollinators, and birdlife.

- We recognise that Scotland will want to take the opportunity to lead in the development of the BNG metric, and we support this. However, this should be iterative and coordinated across the four nations (particularly England) where possible.

b) Are there any other issues relating to this aspect of England's metric that we need to consider?

- In England, clarity of expectation and enforcement of BNG ensures a standardised approach across Local Planning Authorities (LPAs) and in their application to development proposals - albeit with the freedom of LPAs to request additional biodiversity uplift on top of the statutory 10% gain. The lack of any such expectation in terms of Biodiversity Enhancement from NatureScot or Scottish Government may lead to inconsistent or unreasonable expectations from local councils in Scotland. We would encourage some confirmation on the approach that will be taken with Biodiversity Enhancement to allow developers and LPAs to prepare with the same expectations and understanding. The metric
- is limited in that it uses habitats as a proxy for species and from that starting point applies several multipliers based on subjective observations. While this is a manageable solution to standardising and accounting for biodiversity enhancement it can take away from actual ecological health on a particular site. As an example, allowing an area of a site to drop in distinctiveness would reduce the biodiversity value based on the metric however the structural difference could have positive impacts on the actual ecology of the site.

c) If you have ideas or solutions for addressing the issues identified, please outline your approach.

- Rule 4 should be significantly expanded to allow for the overriding of the metric where it can be evidenced that it is not the best outcome for nature. For example, trading down on distinctiveness should be permitted if it can be demonstrated that there is an overall benefit to biodiversity. Principle 6 should also be expanded to describe the relationship between the metric outputs and expert/local advice.
- The criteria for 'Rule 4' may be met more often in Scotland where higher distinctiveness habitats already exist and where there is a growing base of experience in restoration of such habitats, such as in peatland restoration.
- Rule 4 currently stipulates that biodiversity units cannot be compared to units from other biodiversity metrics. If both England and Scotland intend to create aligned and interoperable BNG regimes, NatureScot should consider extending this (and vice-versa in England).
- Principle 8 should be expanded to clarify the relative weight between local and 'strategically important outcomes' and this should key in reframing the Spatial Risk Factor in the Scottish Metric.

2.2 The habitat classification system

a) Do you agree with the issues identified?

- Yes, it is important that the classification as a core element of the metric is not

only fully appropriate for the Scottish landscape but also familiar enough to ecologists from Scotland as well as abroad, and that all classification methods can be consistently translated using correspondence tables. Where possible, the Scottish Biodiversity Metric should produce results in a consistent format to the English metric.

• Whilst there is a skills shortage amongst Scottish ecologists and the use of UKHabitat, we believe that it is an adaptable system which the UKHabitat team have been open to reviewing and making changes when requested. We believe that the quality of the classification system used should be a priority and training provided to support the use of UKHabitat. This would also help to maintain alignment with the English Metric. It is possible to standardise the approach to habitat classification with elements of both UKHabitat and Phase 1 as has been achieved by both the English Metric and SSE Renewable's Biodiversity Toolkit.[3]

• We agree that there is a need to review the correspondence table as its translation can be overly simplistic and lead to confusion or inconsistency in its interpretation.

b) Are there any other issues relating to this aspect of England's metric that we need to consider?

• Accredited MoRPh (Modular River Physical Survey) assessors are limited in Scotland. If this is to be adopted methodology for river assessments this will require resource and time for training.

c) If you have ideas or solutions for addressing the issues identified, please outline your approach.

• We recommend training for ecologists on the use of UKHabitat specifically for the application of it on unique Scottish upland habitats. We also recommend engagement with the Habitat team to discuss how any gaps in the classification and the Scottish landscape can be addressed.

• It is important that a lead time is incorporated into the introduction of the Scottish metric to ensure there is time for ecologists to upskill and become familiar with the classification of habitats within the metric and any required translation.

• We also recommend that habitat classification be standardised, incorporating Phase 1 habitat survey, National Vegetation Classification (NVC) survey of habitats listed on Annex 1 and UK Habitat, across all elements of ecological surveying.

[3] sserenewables.com/media/xr0as45w/user-guide.pdf

- All peatland under the English metric is classified under 'Blanket Bog' regardless of whether it has been cut over of modified. In order to capture the greater nuance of peatlands in Scotland and to give space to incentivise peatland restoration where it is most appropriate, we recommend that this be split into different levels of distinctiveness, such as blanket bog, wet modified, dry modified, etc.

2.3 Irreplaceable Habitats

a) Do you agree with the issues identified?

• We strongly agree with the need for a definitive list of irreplaceable habitats within Scotland and agree that it wouldn't be appropriate to copy over the English definitions without consideration for the specific uniqueness and rarity of habitats within a Scottish context.

The classification of Blanket Bog as irreplaceable habitat without further distinction would have serious implications for many solar and other renewable infrastructure developments. Where peatland has been significantly degraded, solar developments could bring investment for peatland restoration. The metric should consider the varying condition and potential for restoration of peatland inappropriately so that investment from solar developments isn't disincentivised.

b) Are there any other issues relating to this aspect of England's metric that we need to consider?

- The English metric does not allow for sufficient flexibility to mitigate or offset damage/removal of irreplaceable habitats (e.g. the metric could consider 'replenishable' habitats instead of irreplaceable). The climate crisis needs to be recognised as a threat to all of nature, and so a flexible and pragmatic approach does need to be taken. There is already significant coverage of Scotland's most important habitat and nature designations such as SSSIs and others which development proposals can assess, mitigate, and manage through the EIA process.

c) If you have ideas or solutions for addressing the issues identified, please outline your approach.

- There should be considerations made for climate change and social impact in planning decisions. Climate change is one of the greatest threats to biodiversity loss. The metric could consider 'replenishable' habitats instead of irreplaceable.

• Peatlands should be considered for their condition and modification and where

7 appropriate developments should not be disincentivised, and the potential investment in restoration should be a consideration.

2.4 Habitat Distinctiveness

a) Do you agree with the issues identified?

- We agree that the application of the distinctiveness can be carried across from the English metric with consideration for the Scottish context.

b) Are there any other issues relating to this aspect of England's metric that we need to consider?

- The closeness of distinctiveness categories can be a significant issue for determining actual losses and gains. Trading a habitat of similar distinctiveness but with greater ecological value can lead to a technical biodiversity loss after risk factors have been applied although disincentivising creation of more ecologically valuable habitats.

- As above we would support the classification of Blanket Bog being further broken down based on condition and modification, to avoid disincentivising development and investment in restoration where it could be effective in producing a net gain.

c) If you have ideas or solutions for addressing the issues identified, please outline your approach.

- Review possibility to add greater nuance to distinctiveness scores to ensure it fully captures the greater diversity of high distinctiveness habitats in the Scottish to prevent context. Alternatively, the risk factors could be reviewed to prevent disincentivising the creation of similar but ecologically more valuable habitats.

2.5 Habitat Condition

a) Do you agree with the issues identified?

- We agree with the need to ensure that the condition assessments should be adapted to the Scottish environment to ensure they reflect Scottish conditions, particularly upland habitats.

- We agree that the habitat condition assessment does not take into account species-based interventions. The recording of a wider range of species indicators within the conditions assessment would incentivise more enhancement targeted at species.

• We advise caution with the inclusion of pest and pathogens in condition assessments as they may be outside the control of developers and there is a risk of incentivising attempts to control pests which may be damaging to habitat.

b) Are there any other issues relating to this aspect of England's metric that we need to consider?

- The English metric requires a condition sheet per polygon. We encourage some rationalisation of this requirement. This is likely easily achievable on a small site but on a large site this could introduce a burdensome, and very costly, level of survey effort.

• Within the English metric there is variation in the ease and requirements for reaching 'Moderate' and 'Good' condition for different habitat types, and this skews investment incentives and ecological design. For example, for new woodland planting to reach 'good condition' there are assessment criteria for the presence of deadwood, veteran trees, canopy structure, etc., which are all elements that take a long time to establish. Habitats with a shorter time to target condition, like grasslands, may be favoured in this scenario, although they may not be as ecologically desirable or as beneficial to carbon storage and sequestration. Equally it is important to adapt to the Scottish context for example, measures to manage deer populations in woodland, which can be considered a priority in Scotland, will not have a large impact in the English metric.

• Connectivity is not adequately addressed in the strategic significance multiplier. This could be fixed by revising that multiplier but also be addressed as an element of the condition assessment giving a higher score to connected habitats.

c) If you have ideas or solutions for addressing the issues identified, please outline your approach.

- A range of species indicators should be introduced to encourage investment in species-based interventions.
- A review of condition criteria to ensure the prioritised management activities are appropriate for Scotland, such as managing deer populations in woodlands.
- Condition assessments should incentivise management which is longer term or expensive but of greater ecological impact.
- Condition assessment surveys should be rationalised for large sites to prevent over burdensome surveying efforts.

2.6 Strategic Significance

a) Do you agree with the issues identified?

• Strategic Significance in the Scottish context will need to be revised to reflect the strategic environment and local plans. The SSE Renewables Biodiversity Toolkit,[4] as alternatives to the Local Nature Recovery Strategy (LNRS) prepared across England, uses local biodiversity action plans, national biodiversity action plans, and Scottish Biodiversity List habitats as a guide for strategic significance. In the SSE Renewables Biodiversity Toolkit, 'connectivity' has been retained as a measure of habitat quality and therefore is assessed separately.

b) Are there any other issues relating to this aspect of England's metric that we need to consider?

• Connectivity is not captured within the metric. The connectivity multiplier was removed from the metric as it was deemed only feasible for high and very high distinctiveness habitats and was challenging for users to implement. In the consultation rounds that SSE Renewables hosted during the development of the SSE Renewables Biodiversity Toolkit, 'connectivity' always came out as one of the most important measures of habitat quality amongst the attendees.

•In England, local strategies often vary across each LPAs creating a cumbersome need to review each local plan, which is time consuming and complex. One possibility would be to create a single national plan designed from local needs with local input.

c) If you have ideas or solutions for addressing the issues identified, please outline your approach.

• Connectivity could be reviewed for the Scottish metric. This may be possible through the principles and rules but could also be adapted into the strategic significance multiplier as this will need significant revision in the different strategic context in Scotland. Connectivity could also be applied through the condition assessment score. Incentivising connectivity would be key to ensure one of the core objectives of Policy 3 of building nature networks.

2.7 Technical Difficulty Risk Factor

a) Do you agree with the issues identified?

- The technical risk multiplier can act as a deterrent for creating 'higher risk'

[4] sserenewables.com/media/xr0as45w/user-guide.pdf

habitats as commercially fewer units are created. Creation of new habitat should not be significantly disincentivised. The technical risk factor favours enhancement over creation, and although it is understandably less risky to enhance existing habitat it has the effect of reducing the incentive to commit to the creation of habitat which may be of greater ecological or strategic value. This may need to be considered case by case or attached to strategic significance.

• We agree that technical risk factors should be reviewed to ensure they are appropriate in the Scottish environmental context. The technical risk factors however should remain proportional. As above we would support the classification of 'Blanket Bog' be further broken down based on condition and in medication, to avoid disincentivising development and investment in restoration where it could be effective in producing a net gain. This should also be reflected in the technical risk of restoring degraded peatland to ensure peatland restoration is not inappropriately disincentivised.

b) Are there any other issues relating to this aspect of England's metric that we need to consider?

• Average risk parameters will not be appropriate for Scotland given the greater diversity of landscapes. There are many site-specific factors which determine the true technical difficulty such as topography, hydrological regime, site location, etc. these should be captured within the technical risk factor, or the factor calculated based on site specific conditions.

- The technical risk has greatest impact on the higher end of distinctiveness and therefore skews habitat preferences away from complex habitats of greater ecological importance. This effect is further compounded by the temporal risk factor. This means that longer term and more difficult interventions are disincentivised although they would add the greatest ecological value if successful.

c) If you have ideas or solutions for addressing the issues identified, please outline your approach.

• Developers should not be disincentivised from committing to interventions which could deliver the greatest benefit to the local ecology, over shorter term, less risky and less beneficial options. This could be addressed through the wider rules and principles and outside of the multipliers to avoid the compound impact of both technical and temporal risk factors making such interventions unviable.

• The calculations of technical risk factors should be informed by a full

assessment of the success rates in interventions in Scotland, such as peatland restoration. The risk factor needs to reflect the difficulty whilst not fully disincentivising investment in this vital intervention.

2.8 Temporal Risk Factor

a) Do you agree with the issues identified?

- As with the technical risk factor, average risk parameters will not be appropriate for Scotland given the greater diversity of landscapes. This should be captured within the temporal risk factor, or the factor calculated based on site specific conditions.
- The temporal risk factor associated with long time-to-target-condition for complex but priority habitats, such as peatland restoration, can serve as a disincentive to commit to interventions of greater ecological value. This should be reviewed.

b) Are there any other issues relating to this aspect of England's metric that we need to consider?

- The interim habitats which emerge on the way to the establishment of priority habitats are not given a value. Giving some value to interim habitat, such as early-stage woodland and wetland, would give more incentive to longer-term, slow growing habitats, otherwise disincentivised by the temporal risk factor.
- Delayed works reducing the number of biodiversity units should be removed from a Scottish metric. The planning process often causes significant delays and adding further biodiversity enhancement pressures will risk making projects unviable.
- Biodiversity enhancement should be well chosen, well planned and well timed to ensure effectiveness, however a delay multiplier could incentivise rushed interventions to ensure the greatest biodiversity units, rather than prioritising the greater actual biodiversity outcome.

c) If you have ideas or solutions for addressing the issues identified, please outline your approach.

- Temporal risk, like the technical risk factor, should be considered for its specific site conditions within the Scottish environmental context.
- Interim habitat creation should be recognised by a reduced temporal risk multiplier or phased temporal multiplier.
- The removal of the delay multiplier would allow habitat creation methods to be undertaken in a phased and ecologically responsible manner prioritising actual

biodiversity gains over the metrics biodiversity units.

2.9 Spatial Risk Factor

a) Do you agree with the issues identified?

- The much more varied administrative landscape in Scotland makes it difficult to apply the spatial risk factor as it exists in England.

• We agree that onsite mitigation be rewarded within the metric. Solar farms typically take land out of agricultural use during which time they are largely undisturbed by people and areas between and outside of the panels can be manged for biodiversity[5], there is therefore a synergy between using solar farms to generate clean energy and promoting onsite natural capital.

- For some developments offsite enhancements can become necessary and therefore must be covered by the metric. Where offsite enhancements become necessary these should be selected for strategic significance, ecological priority, or connectivity rather than arbitrary administrative borders. It could be the case that an intervention in another planning authority, which depending on the location of the site, may be geographically closer, and have greater ecological impact than one within the same authority, but further from the site.
- Enabling off-site enhancement can be a significant avenue for meeting biodiversity obligations in some instances. If it can be demonstrated to be more effective for biodiversity gain than on-site measures would be and also more cost-efficient and better value. Conservation bodies such as the Royal Society for the Protection of Birds, the Woodland Trust, and National Trust for Scotland etc. may be able to provide the land management expertise, the long-term stewardship and pre-existing larger scale initiatives to deliver positive outcomes. This would also help in respect of '2.7. Technical Difficulty Risk Factor' by passing biodiversity delivery to organisations with the management capability and experience, ecological expertise (including for monitoring) and long-term presence and commitment necessary to improve chances of works being successful.

• Within England, LPAs can require that BNG must happen within their local area. This limits liquidity in BNG unit markets because it means that developers cannot trade offsite units from outside of their local authority area. We recommend a consistent approach to spatial risk that creates confidence of a buy-side for future Bȍdiversity unit markets.

[5] Solar Habitat 2024: Ecological Trends on Solar Farms in the UK • Solar Energy UK

b) Are there any other issues relating to this aspect of England's metric that we need to consider?

- The provision for the trading of offsite units has added significant complexity to the BNG system in England as has the requirement for LPAs to monitor and enforce BNG units within their authority and the monitoring of traded off-site units.

c) If you have ideas or solutions for addressing the issues identified, please outline your approach.

- The Scottish metric should maintain the priority for onsite improvement where practical and maintain provisions for offsite interventions, albeit for solar farms the need for offsite enhancement is very unlikely given the significance of the natural biodiversity that comes with taking land out of intensive agriculture, for example. Offsite interventions should however be prioritised for strategic significance, ecological priority, or connectivity rather than arbitrary administrative borders. The spatial risk factor therefore should be adapted to reflect this or removed.

- Removing the spatial risk factor could allow for cumulative interventions from multiple developments requiring offsite enhancements, pooling resources to feed into more significant interventions where they are most needed.

3. Our approach to developing a Scottish Metric

a) Do you have any comments on the phased approach set out, and priorities indicated?

- The phased approach seems broadly appropriate. Ongoing consultation with industry and a flexible and pragmatic approach that is not unduly burdensome or unreasonably costly is essential.

- We are supportive of a review of peatland considerations and hope that this will result in a proportional approach which protects and maintains high quality peatland whilst leaving room for developments to invest in restoration of degraded peatland. Work should be carried out to understand where interventions have been successful.

- We would encourage consideration of the appropriateness of the various multipliers raised above, and whether they should remain as quantitative multipliers, or if a more qualitative approach could be more appropriate. As raised above, the application of several multipliers based on subjective

interpretations can compound and result in irrational outcomes.

- We look forward to being consulted on the draft finalised tool.

b) If you have any further comments on the development of a biodiversity metric for Scotland's planning system, please provide them here.

- During their operational phase (25-40 years) solar farms are largely undisturbed by people and areas between and outside the panels can be manged for biodiversity[6]. Solar Energy UK in collaboration with Clarkson and Woods, Wychwood Biodiversity and Lancaster University, have developed a standardised approach to ecological monitoring on solar farms[7] and encourages all solar developers to use this.
- The BNG metric actively steers users away from creating priority habitat and ignores species. The Scottish metric should incorporate risk in a way that avoids significant intervention failure but also doesn't disincentivise investment in ambitious, high impact interventions.

- That being said, as we have argued above, we strongly suggest that the Scottish Biodiversity Metric align as much as possible with the English metric to avoid dual biodiversity regimes. We suggest each metric is cross-referenced to identify areas of incompatibility and to identify areas of serious misalignment as a follow-up exercise.

- It would be useful to understand if biodiversity units will be tradable under the Biodiversity Enhancement system. Off-site unit trading can be overly complex. There needs to be careful consideration into how and whether a trading system can work in the Scottish context including whether units will be tradable between England and Scotland.
- If it is the case that biodiversity units will be tradable in the Scottish Biodiversity Enhancement system, we would welcome clarity on how additionality will be treated in trading. In England it is not clear what is meant by additionality, which has led to developers seeking legal advice on its meaning within the BNG context. Guidance stipulates it's anything over the statutory target. Elsewhere it is usually defined as something that would not have occurred without intervention.
- It would also be useful to understand if units will need to be maintained by landowners for a minimum of 30 years as in the English BNG regime. A 30-year requirement does not take into account what happens after that period is over.

[6] Solar Habitat 2024: Ecological Trends on Solar Farms in the UK • Solar Energy UK
[7] A Standardised Approach to Monitoring Biodiversity • Solar Energy UK

- Producing nature enhancements means changing the status of the land. After those 30 years are over, there is no guarantee of revenue and potentially a stranded asset. It is not clear whether such biodiversity gain initiatives are being applied across all land use sectors in Scotland, for example in relation to agriculture, forestry, housing, transport and other economic sectors. It will be important to ensure that the whole economy operates in a way to minimise harm and to help nature.

  Having an initiative that is unduly burdensome on clean energy developments which are tackling the climate crisis, in isolation and without corresponding effort by other sectors, would seem a little short-sighted and disproportionate. A prime example of a lack of requirements on another sector is the development of polytunnels.