## Supplementary Legislative Consent Memorandum

## **Great British Energy Bill**

## Background

- 1. This supplementary memorandum has been lodged by Gillian Martin MSP, Acting Cabinet Secretary for Net Zero and Energy, in accordance with Rule 9B.3.1(c) of the Parliament's Standing Orders, and is supported by Acting Minister for Climate Action, Dr Alasdair Allan MSP.
- 2. The Great British Energy Bill was introduced by the UK Government in the House of Commons on 25 July 2024. The Bill is available on the UK Parliament website via this link: https://bills.parliament.uk/bills/3738.
- 3. An LCM (<u>LCM-S6-48</u>) was lodged on 8 August 2024, without any recommendation on a consent position, and noted that a supplementary LCM outlining the Scottish Government's recommendation on a consent position would be lodged at a later date.
- 4. A supplementary LCM (LCM-S6-48a), with a draft motion on legislative consent, was lodged on 28 January 2025, after an amendment requested by the Scottish Government was tabled. This amendment requires the consent of the Scottish Ministers where a statement of strategic priorities from the Secretary of State would include matters which are within devolved legislative competence.
- 5. The motion on legislative consent was agreed by the Scottish Parliament on 6 February. However, new amendments were tabled by the UK Government in the House of Lords on 4 February 2025. The government amendments which are to clause 3, 5 and a new clause 7A were agreed on 11 February 2025 during the House of Lords Report Stage.
- 6. After careful analysis, it is deemed that one of the new amendments is not covered by the previous LCMs and a further supplementary LCM is required.
- 7. A non-government amendment to clause 4 was agreed on 11 February 2025 during the House of Lords Report Stage. This amendment is covered by the previous LCMs.

#### Content of the Bill

- 8. The Bill makes provision for special arrangements in relation to the regulation of a company which is designated by the Secretary of State with the objects of facilitating, encouraging and participating in—
  - the production, distribution, storage and supply of clean energy,
  - the reduction of greenhouse gas emissions from energy produced from fossil fuels,
  - · improvements in energy efficiency, and
  - measures for ensuring the security of the supply of energy.

## Provisions which require the consent of the Scottish Parliament

- 9. The Bill as a whole extends to Scotland. It is considered that it contains provisions which apply to Scotland and are for purposes which do not relate to reserved matters and are within the legislative competence of the Scottish Parliament.
- 10. The Bill is wholly concerned with the designation, purpose and funding of "Great British Energy". It is considered that all clauses of the Bill require the consent of the Scottish Parliament.
- 11. Section 28(8) of the Scotland Act 1998 recognises that the UK Government will not normally legislate with regard to devolved matters without the consent of the Scottish Parliament. Devolution Guidance Note 10 states that Bills require the consent of the Scottish Parliament if they contain provision applying to Scotland and which are for devolved purposes or if they alter the legislative competence of the Scottish Parliament or the executive competence of the Scottish Ministers.
- 12. The amendments to clauses 3, 4 and 5 are detailed below for awareness; they are not considered to trigger a supplementary LCM, and the purpose of these amendments are covered by the previous LCMs. The new clause 7A does trigger a supplementary LCM as it is not covered by the previous LCMs.

#### Clause 3

Amendment 8 - HL Bill 43—R—I

Clause 3, page 2, line 18, at end insert—

"(including through projects involving or benefiting local communities)."

- 13. This amendment refers to activities mentioned in subsection (2)(a) to (d) through projects involving or benefiting local communities.
- 14. The amendment to clause 3 is a small addition to include wording on projects benefitting local communities. The amendment clarifies the scope of the provisions of the Bill and does not substantially change the nature of the Bill or the assessment of legislative competence. As a result, the amendment is covered by the previous LCMs.

#### Clause 4

Amendment 18 - HL Bill 43—R—I

Clause 4, page 3, line 5, at end insert—

- "(6) Financial assistance under this section must not be provided if there exists credible evidence of modern slavery in the energy supply chain of any company designated Great British Energy."
- 15. This amendment requires that financial assistance cannot be provided under clause 4 if there exists credible evidence of modern slavery in its supply chain.
- 16. The amendment clarifies the provisions on finance assistance and does not substantially change the nature of the Bill or the assessment of legislative competence. As a result, the amendment is covered by the previous LCMs.

#### Clause 5

Amendment 21 - HL Bill 43—R—I

Clause 5, page 3, line 8, at end insert—

- "(1A) The Secretary of State must comply with subsection (1) within the period of six months beginning with the day on which this Act comes into force."
- 17. This amendment requires the Secretary of State to prepare a statement of strategic priorities for Great British Energy within the period of six months beginning with the day on which this Act comes into force.
- 18. This statement of priorities cannot include anything within devolved legislative competence unless Scottish Ministers have consented to it, as provided by the amendment to clause 5(4) tabled on 23 January 2025.

19. The amendment clarifies the timing of the exercise of functions and does not substantially change the nature of the Bill or the assessment of legislative competence. As a result, the amendment is covered by the previous LCMs.

#### New clause 7A

Amendment 38 - HL Bill 43—R—I

After Clause 7, insert the following new Clause—

#### "Sustainable development

Great British Energy must keep under review the impact of its activities on the achievement of sustainable development in the United Kingdom."

- 20. The new clause requires GB Energy to keep under review its impact on the achievement of sustainable development in the United Kingdom.
- 21. An LCM is required as the duty introduced by new clause 7A will relate to activities of GB Energy which are likely to touch on areas within the legislative competence of the Scottish Parliament (such as the environment and planning), and to the environmental impact of such activities.

### Reasons for recommending consent

- 22. The Scottish Government **recommends giving consent** to the Great British Energy Bill in its current form, including the new Clause 7A. The new clause requires GB Energy to keep under review the impact of its activities on the achievement of sustainable development in the United Kingdom. The Scottish Government is of the view is that while the Bill only establishes GB Energy, once established GB Energy will act in line with the policy aims and objectives of the Scottish Ministers, most notably tackling the climate emergency and growing our economy.
- 23. Were legislative consent not given and the Bill amended to exclude Scotland, Scotland could miss out on a substantial number of opportunities such as potential for Great British Energy involvement or investment in a range of clean energy sectors.

### Consultation

24. The UK Government did not consult on the three further amendments to the GB Energy Bill.

## Financial implications

25. It was confirmed in the 2024 UK Autumn Budget that GB Energy will be given £100 million capital funding over FY 25/26 for clean energy project development, and £25 million to establish the company. The amendments covered by this supplementary LCM do not have any financial implications beyond the above.

## Post EU scrutiny

26. The Scottish Government does not consider the proposed amendments to impact on alignment with EU law.

#### Conclusion

- 27. The Scottish Government continues to be supportive of the UK Government's stated ambitions for GB Energy. Overall, engagement with the UK Government has been positive and the Scottish Government looks forward to further discussions with the UK Government on Great British Energy, to ensure that it delivers for Scotland.
- 28. Therefore, the Scottish Government recommends the Scottish Parliament agrees that the relevant new amendment tabled to the Great British Energy Bill, introduced in the House of Commons on 25 July 2024, so far as it falls within the legislative competence of the Scottish Parliament, should be considered by the UK Parliament.

## **Draft Motion on Legislative Consent**

29. The draft motion, which will be lodged by the Acting Cabinet Secretary for Net Zero and Energy, is:

"That the Parliament agrees that all relevant provisions of the Great British Energy Bill, introduced in the House of Commons on 25 July 2024 and subsequently amended in relation to sustainable development (clause 7A) on 11 February 2025, so far as these matters fall within the legislative competence of the Scottish Parliament and alter the executive competence of the Scottish Ministers, should be considered by the UK Parliament."

Scottish Government February 2025

This Supplementary Legislative Consent Memorandum relates to the Great British Energy Bill (UK legislation) and was lodged with the Scottish Parliament on 17 February 2025

# Great British Energy Bill – Supplementary Legislative Consent Memorandum

© Parliamentary copyright. Scottish Parliamentary Corporate Body

Information on the Scottish Parliament's copyright policy can be found on the website - www.parliament.scot

Produced and published in Scotland by the Scottish Parliamentary Corporate Body.

All documents are available on the Scottish Parliament website at: <a href="https://www.parliament.scot/documents">www.parliament.scot/documents</a>

LCM-S6-48b Session 6 (2025)