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 Dr Alasdair Allan MSP, Acting Minister for Climate Action.
- 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: <u>Great British Energy Bill | UK Parliament</u>.
- 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. The motion on legislative consent (S6M-16346) was agreed by the Scottish Parliament on 6 February.
- 5. A second supplementary LCM (LCM-S6-48b), with a draft motion on legislative consent, was lodged on 17 February, after amendments were tabled by the UK Government on 4 February. Clause 7A, to keep under review its impact on the achievement of sustainable development in the United Kingdom, was not covered by the previous LCMs. The motion on legislative consent (S6M-16526) was agreed by the Scottish Parliament on 20 February.
- 6. A new clause 6A was tabled by the UK Government in the House of Lords on 17 February 2025, and was subsequently amended at the request of the Scottish Government on 20 February¹. After careful analysis, it is deemed that this new amendment was not covered by the previous LCMs and a further supplementary LCM is required.

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¹ HL Bill 71— Running List 20 February | UK Parliament

Content of the Bill

- 7. 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

- 8. 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.
- 9. 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.
- 10. 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.
- 11. The new clause 6A triggers a supplementary LCM as it is not covered by the previous LCMs.

Clause 6A

After Clause 6, insert the following Clause—

"Reviews of Great British Energy's effectiveness

- (1) The Secretary of State must appoint an independent person to carry out reviews of the effectiveness of Great British Energy.
- (2) In carrying out the review, the independent person must have regard to the statement of strategic priorities prepared by the Secretary of State under section 5(1).
- (3) After each review, the independent person must—
 - (a) prepare a report of the review, and
 - (b) submit the report to the Secretary of State.
- (4) On receiving a report, the Secretary of State must—
 - (a) send a copy of the report to the Scottish Ministers, the Welsh Ministers and the Department for the Economy in Northern Ireland, and
 - (b) no less than 14 days after complying with paragraph
 - (a)— (i) publish the report, and (ii) lay a copy of the report before Parliament.
- (5) The first report must be submitted to the Secretary of State within the period of 5 years beginning with the day on which this Act comes into force.
- (6) Subsequent reports must be submitted to the Secretary of State at intervals of not more than 5 years.
- 12. This amendment requires the Secretary of State to appoint an independent person to carry out a review of the effectiveness of Great British Energy at least every 5 years. Clause 6A, has been amended² to allow Scottish Ministers to gain sight of the final report 14 days prior to it being laid in Parliament.
- 13. An LCM is required as the duty introduced by new clause 6A will relate to an independent review of the activities of Great British Energy which may be delivered by the Scottish Government. The review is likely to consider areas within the legislative competence of the Scottish Parliament (such as the environment and planning) and wider activities of Great British Energy which are the subject matter of devolved competence in devolved energy policy, for example in respect of hydrogen production or carbon capture.

² HL Bill 71— Running List 20 February | UK Parliament

Reasons for recommending consent

- 14. The Scottish Government **recommends giving consent** to the Great British Energy Bill in its current form, including the new Clause 6A. The new clause requires an independent review of Great British Energy to be undertaken every 5 years. The Scottish Government is of the view that an independent review of Great British Energy's activities will contribute to ensuring the company is delivering on its strategic priorities, which Scottish Ministers will have been asked to consent to if those priorities are within devolved competence. The Scottish Government also welcomes that the new clause provides for Scottish Ministers to have sight of the independent report at least 14 days before the report is published, meaning the report can be laid in the Scottish Parliament in parallel with it being laid at Westminster.
- 15. The Scottish Government is of the view is that while the Bill only establishes Great British Energy, once established, Great British Energy will be a publicly owned, clean energy company that will be positioned to act in line with the policy aims and objectives of the Scottish Ministers, most notably tackling the climate emergency and growing Scotland's economy.
- 16. 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

17. The UK Government did not consult on the further amendment to the Great British Energy Bill.

Financial implications

18. It was confirmed in the 2024 UK Autumn Budget that Great British 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

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

Conclusion

- 20. The Scottish Government continues to be supportive of the UK Government's stated ambitions for Great British 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.
- 21. 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

22. 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 an independent review of Great British Energy (clause 6A) on 20 February 2025, so far as these matters fall within the legislative competence of the Scottish Parliament, 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 24 February 2025

Great British Energy Bill – Supplementary Legislative Consent Memorandum

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LCM-S6-48c Session 6 (2025)