

**VIP Stakeholder Advisory Group
Minutes of the tenth meeting held on 6th November 2017**

Stakeholder Advisory Group members present:

- **Chairman** Chris Baines
- **Campaign for National Parks** Fiona Howie, Chief Executive
- **CPRE** Tom Fyans, Director of Campaigns and Policy
- **CPRW** Peter Ogden
- **Landscape Institute** Mary O'Connor, WYG Associate Director
- **National Association of AONBs** Howard Sutcliffe, AONB Manager, Clwydian Range & Dee Valley AONB
- **National Grid** George Mayhew, Director of Corporate Affairs
- **National Parks England** Sarah Kelly, Landscape Officer, New Forest National Park Authority
- **National Trust** Dr Ingrid Samuel, Historic Environment Director
- **Natural England** Liz Newton, Director Strategy Development
- **The Ramblers** Nicky Philpott, Director of Policy and Campaigns

Guests:

- **SP Energy Networks** Grant Douglas, Environmental Planner
- **SSE** Euan Smith, VISTA Project Manager

Apologies:

- **Cadw** Kate Roberts, Principal Inspector of Ancient Monuments
- **Historic England** Shane Gould, Senior Local Government and National Infrastructure Advisor
- **National Parks Wales** Jonathan Cawley, Director of Planning & Cultural Heritage, Snowdonia National Park
- **Natural Resources Wales** Keith Davies, Head of Planning Landscape, Energy & Climate Change Group
- **Ofgem** Anna Kulhavy, Senior Economist
- **Visit Wales** Lawrence Manley, Head of Investment and Funding

Secretariat in attendance:

- **National Grid** – Hector Pearson, VIP Project Manager; Michelle Clark; Jeremy Lee, Lead Project Manager; Ben Smith, Senior VIP Project Officer; Andrea Key, Consents Officer; Adrian Chanter, Consents Officer; Ellen Struthers, Regulatory Submissions Manager (part)
- Professor Carys Swanwick, Independent Adviser to National Grid
- **Camargue** – Stuart Fox; Jane Dalton

The purpose of the meeting on 6th November was for the Stakeholder Advisory Group to:

- Hear updates on the four schemes that have been prioritised for replacing existing overhead lines with underground cables in Areas of Outstanding Natural Beauty (AONBs) and National Parks in England and Wales
 - Review the planning application and Ofgem funding submission for the Dorset VIP project
 - Receive an update on the Landscape Enhancement Initiative
 - Hear from the Scottish Transmission Operators on their initiatives in Scotland
 - Review the existing VIP policy and consider any updates
 - Look ahead to the next price control period for further discussion at the next Stakeholder Advisory Group meeting
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1 – Update on the four schemes shortlisted for underground projects

Hector Pearson has been the VIP Project Manager since the inception of the project. He will be retiring from National Grid in December 2017. The Stakeholder Advisory Group was introduced to Michelle Clark who will replace him working with the Stakeholder Advisory Group and stakeholders more broadly. Jeremy Lee will work with Michelle and manage the delivery of the four prioritised projects. Tributes were paid to Hector for the immense amount of work that he has put into getting the project off the ground and for the way in which he has managed the programme and worked with stakeholders.

Hector Pearson, Jeremy Lee, Ben Smith, Andrea Key and Adrian Chanter from National Grid then gave an update on the progress of the four projects that have been prioritised to be taken forward. A summary of progress and specific issues for each of the four projects is outlined below.

1.1 – Dorset AONB – 4YA.7

A preferred routing option and locations for the new sealing end compounds for both the northern and southern ends of the route had been agreed with local stakeholders and approved by the Stakeholder Advisory Group at its April 2017 meeting.

The tendering process for the main contractor to carry out the works was launched in June 2017, and National Grid is assessing tender submissions. A preferred bidder will be announced when this process is complete, and a contract awarded upon the confirmation of funding for the project from Ofgem.

Negotiations with all landowners are ongoing. National Grid is optimistic that voluntary agreements can be achieved with all grantors. As discussed and agreed at the December 2016 meeting of the Stakeholder Advisory Group, the necessary preparations are, however, being put in place to use National Grid's statutory powers to gain rights to the land through Compulsory processes should it become necessary to do so. National Grid reminded the Group that such a Compulsory Order would only be for rights to access to land, install cables and maintain them and not to purchase the land outright. In line with other infrastructure projects, this would allow National Grid the right of access to its equipment, while the landowner would still retain the land ownership.

Formal public consultation took place in July 2017. Two public exhibitions were held in Martinstown and Winterbourne Abbas, with 95 people attending over the two days including elected representatives of West Dorset District Council (the planning authority), Dorset County Council and the three Parish Councils affected by the project.

A significant majority of attendees expressed support for the scheme with nobody voicing outright objection to it on the 41 completed feedback forms received, many of which were very detailed. The project already has the support of SRG members and the Dorset AONB Partnership and other members of the public who had responded to previous rounds of public information.

National Grid is close to completing the documentation that will form its planning application to West Dorset District Council and the funding application to Ofgem. It sought the Stakeholder Advisory Group's support for both applications. Adrian Chanter provided an overview of the content of the planning application, including the supporting impact assessments, management plans, mitigation measures and other documentation. The Stakeholder Advisory Group gave its endorsement for the application which will be submitted in December 2017 or early January 2018. This will be followed by submission of the Ofgem funding application in February 2018. Landowner negotiations will continue in the meantime.

Subject to receiving planning permission and approval from Ofgem, construction would begin in early 2019, with construction completed and the pylons removed by 2022.

1.2 – New Forest National Park – 4YB.2

The Stakeholder Advisory Group was reminded of the preferred route option for this scheme identified in 2016 and the challenges of crossing this highly-designated location.

As reported at the April 2017 Stakeholder Advisory Group meeting, preliminary ground investigation (GI) works towards the western end of the proposed route had identified the presence of gravel to a depth of 30m, meaning that the ground would not be stable enough for horizontal directional drilling (HDD) to be used. National Grid has therefore been looking at three alternative options for this part of the route. The option to the north is favoured by local stakeholders, and the Stakeholder Reference Group for the New Forest supported it at its meeting in September 2017. National Grid is therefore now proposing to take this option forward and work is ongoing to determine technical and engineering feasibility.

Another critical issue for this project has been the presence of several bird species accorded Special Protected Area status – i.e. nightjar, woodlark and Dartford warbler. Work has been ongoing to establish 'carrying capacity' in two other areas of the Forest, and sufficient capacity for the woodlark and Dartford warbler has been identified at nearby Millersford Bottom and Rockford Common 9km to the south. The situation for the nightjar is not so clear cut, and a meeting is due to be held with ecologists from Natural England, the National Trust and the New Forest National Park Authority on 7th November 2017 to discuss the way forward.

The question of balancing potential landscape benefits against habitat and ecological impacts was discussed. A great deal of work has been carried out to assess the impacts on habitats and local wildlife. To provide balance, National Grid has now commissioned Professor Carys Swanwick to work with interested stakeholders to consider the landscape benefits and perspectives in more detail, in order that the landscape and wildlife viewpoints can be better weighed up.

A technical reference group (TRG) chaired by Professor Swanwick and with representatives from Natural England, the National Trust and the National Park Authority has been set up to support this work. A report is due to be published before the end of November. It was also noted that the New Forest scheme could serve as a test case for projects such as this, and the opportunity to determine best practice for the future was highlighted and discussed.

The next steps on the project include:

- Detailed engineering work on the new northern alignment
- Working with Alaska (the appointed specialist landscape restoration consultancy) now that the new alignment has been agreed to develop a programme for removal and restoration
- Continue the programme of engagement with local stakeholders

Public consultation activity is planned for the summer of 2018, and it is currently envisaged that the planning application will be ready to submit in autumn 2018. The scheme is well supported by the National Park Authority and other key stakeholders including the New Forest Verderers. National Grid remains optimistic that the application will continue to be supported by them.

Actions:

- **Chris Baines / Carys Swanwick / Michelle Clark / Stuart Fox** – Discuss how the landscape report may be used to engage with stakeholder organisations on a national level.

1.3 – Peak District National Park (Eastern section – ZO.2)

The proposed route for this scheme has been agreed with local stakeholders, and Barnsley Metropolitan Borough Council (BMBC) is now more engaged with the project. The underground infrastructure would take a southerly route along the Trans Pennine Trail (TPT) with the sealing end compound being moved down the trail into the Wogden Foot local wildlife site.

Negotiations with landowners are ongoing regarding the agricultural land to the north of the River Don that is required for a temporary diversion of the TPT during construction works. Some local stakeholders have expressed a desire that the diversion should become permanent. However, due to landowner preference, National Grid is only pursuing consent for a temporary path that would be removed once the TPT was re-opened.

Engineers are working with officers from BMBC to produce detailed designs for the TPT diversion route which ensure that it is fully compliant with the Equalities Act. This will require some significant civil engineering works including the construction of a new bridge over the River Don and a new access route. The diversion must be in place before significant work on the undergrounding can commence along the existing TPT route.

Extensive environmental survey and assessment work for the Environmental Assessment Report has been taking place over the summer, and National Grid, BMBC, the Park Authority and other stakeholders including Yorkshire Wildlife Trust are now in the process of developing ecological/landscape mitigation principles.

In addition, the National Grid communications team is working closely with the communications team at BMBC and the cabinet member for the Place directorate to explore potential promotional activity post planning consent through to completion.

Other ongoing activity includes preparation of the supporting material for the planning application including a construction traffic management plan, a landscape/ecology management plan and a statement of community engagement. Flood mitigation work is also being carried out and this may ultimately tie into a wider project about reappraisal of flood management strategies in Sheffield and the Don Valley.

As outlined at previous meetings, National Grid has been exploring the option of using gas insulated line (GIL) installed underground for the Peak District East scheme. It has now been agreed in principle that GIL technology will be used for the Peak District project, provided it proves to be a more cost-effective solution than traditional cables and that it can be delivered without significant negative impact on the programme.

The next steps for the project involve the continuation of ongoing work including discussions regarding landscape mitigation, land negotiations, stakeholder engagement and engineering design. Subject to satisfactory progress in these areas, it is envisaged that the planning application will be submitted in spring 2018, with construction starting approximately one year later.

The Stakeholder Advisory Group then took time to discuss two papers that were sent in for consideration by PLACE, a campaign group that has long been campaigning for more of the electricity transmission network to be undergrounded. The papers were circulated in advance of the meeting to give Stakeholder Advisory Group members time to read and digest them.

PLACE feels that the current Peak District scheme lacks ambition and should seek to remove more of the infrastructure. Its submission included a paper prepared by Friends of the Peak District and Sheffield & Rotherham CPRE that proposed an extension of the Peak District scheme further to the

east. This would see the project extend to include the removal of the adjacent assessed section of line 4ZO.1 (which scored only moderately in the assessment) plus an additional section of the overhead line outside the National Park and outside the landscape assessment area.

The issues that PLACE has raised in its correspondence were discussed in depth, and while the logic of its argument is recognised and acknowledged, there are a number of issues that extending the project in this way would raise.

These issues were discussed and included:

- The precedent that it would set if a special case was created for this scheme (A previous SAG meeting decided that special cases should not take precedence over sites selected through the VIP process)
- The difficulties that would be faced in trying to justify a proposal that incorporated a much lower-scoring section of line
- The financial implications to the wider VIP project

It was also noted that the current scheme has been developed in conjunction with local stakeholders including the Park Authority, BMBC, the Parish Council and Natural England. These stakeholder views have already been taken into consideration in determining the existing scope of the project.

The Chair reminded the Group - and the Group agreed - that the VIP process involved a very rigorous process for assessment and prioritisation of schemes and that this process was endorsed by a broad group of stakeholders with extensive national representation, as well as Ofgem. Whilst there is some degree of flexibility, this exists around engineering issues and environmental constraints. The Group felt it highly likely that the regulator would have a strong view if there was a move away from this process on any grounds other than these.

It was agreed that representatives from the Stakeholder Advisory Group including Chris Baines would meet with PLACE to discuss the issues that it has raised in more detail.

Action:

- **Chris Baines / Camargue** – Organise a meeting with PLACE.

1.4 – Snowdonia National Park – 4CZ.1

The preferred option for this scheme is to construct a tunnel to carry the infrastructure from Cilfor to Garth under the Dwyryd Estuary and extend the northern section to join up with the existing cables that run across the Glaslyn estuary to the northwest. The local community is supportive of the scheme, but it will require a significant amount of civil engineering work. National Grid is working to ensure that local stakeholders and members of the public understand the scale of the works that will be involved – particularly in the light of negative impact on the local community of the recent Pont Briwet road and rail bridge development.

Over the last two months, considerable work has been done in conjunction with Natural Resources Wales (NRW) and National Grid's North Wales Connection project (a proposed second connection for the Wylfa Newydd nuclear power station on Anglesey), including GI works to determine the exact geology of the area. Severe weather has restricted the amount of drilling that could be carried out in the estuary and National Grid is now looking at spring 2018 to go back and finish the work, to avoid over-wintering birds in the estuary.

As previously outlined, the uncertainty regarding the future programme of the Wylfa power station means that the future electrical capability for the replacement infrastructure in the tunnel cannot yet

be determined, and additional unknown factors include the potential for offshore wind farms and future connections with Ireland. Whereas upgrading the overhead line would be relatively straightforward, the electrical rating determines the required tunnel width, and this has a significant impact on the cost of the undergrounding project. The Stakeholder Advisory Group reiterated that they are fully supportive of investing in 'future-proofing', but it has already been acknowledged that Ofgem does not approve expenditure where there is no need case.

National Grid is therefore doing further work on the options and costs. In the meantime, although National Grid intends to align the VIP project with the North Wales Connection as best it can, it has been agreed that there are no advantages to be gained in delaying the VIP project. The required investigative and other ongoing works are therefore proceeding as planned.

Some of the other key issues that are being worked on with local stakeholders include minimising traffic disruption during construction works and access into the estuary for the complex task of removing the existing towers once the underground infrastructure is operational. National Grid is also in conversation with the local Minerals Officer at Gwynedd Council to identify how best to deal with the spoil arising from the tunnel construction.

The indicative programme for the scheme is for the planning application and funding application to Ofgem to be submitted in January/February 2019. Construction would start in the winter of 2019/20 with project completion in 2025. It was noted that this takes completion outside of the current RIIO T1 period, which finishes in April 2021.

2 – Update on the Scottish Transmission Operators proposed schemes

Grant Douglas of SP Energy Networks (SPEN) and Euan Smith of Scottish & Southern Electricity Networks (SSEN) Transmission had been invited to the meeting to provide an update on the Scottish Transmission Operators' (TOs) proposed schemes.

2.1 – Update on the VISTA and VIEW initiatives

The Scottish TO schemes have been branded as VISTA (SSEN Transmission) and VIEW (SPEN). The designated areas in Scotland that the scheme applies to are national parks and national scenic areas (NSAs). The two TOs are working together on a mix of projects that have been identified through engagement with interested stakeholder groups across Scotland. The process started approximately one year after the VIP scheme, and a similar landscape and visual impact assessment process was carried out. Their process also involved working with a stakeholder group to prioritise the areas that should be considered for different types of mitigation. This process has resulted in four or five schemes being taken forward for more detailed technical and feasibility studies.

2.2 – Nature of the projects

It was noted that mitigation solutions such as re-routeing, tree screening and landscape enhancement have been chosen for the majority of the proposed schemes in Scotland, with a limited amount of undergrounding on just one potential project. The decision not to change the infrastructure significantly has come from stakeholders concerned about disruption.

Some of the mitigation strategies that have been chosen include:

- Using a mixture of landscaping methods to reduce the visual impact of the infrastructure, including constructing alternative pathways away from the overhead line and tree screening.
- Respecting the status quo by providing a historic context to the infrastructure through interpretation of the line.
- Focusing key viewpoints away from the overhead lines.
- Infrastructure rationalisation by removing 'clutter' (e.g. excessive numbers of lattice towers).

- A combined approach e.g. installing as much underground cable as possible to enable the removal of towers but using alternative pylons where this is not possible.

As in England and Wales, there is a separate fund for the distribution networks, but as most of Scotland's transmission infrastructure that is eligible for the scheme is 132kV (as opposed to 400kV in England and Wales), there are more opportunities for the Scottish TOs to work in collaboration with the distribution network operators (DNOs). It was also noted that in many cases, due to the nature of Scottish National Parks, the TO is often dealing with a single landowner on a large project.

From SPEN's perspective, one of the biggest benefits of this whole scheme has been the opportunity to look at something positive with stakeholders. When an application for a new line is being considered, undergrounding is often assumed to be the best way forward by stakeholders and members of the public. In this case, as they were looking at infrastructure that is already there, it took away the assumed animosity, and fostered a healthy debate re alternative approaches. It was, however, also noted that Ofgem can find it difficult to understand the benefits of the alternative approaches, a similar problem to that encountered on National Grid's Landscape Enhancement Initiative (LEI) scheme (see Section 3.1 below),

2.3 – Cost of the projects and future opportunities

As none of the Scottish schemes require large-scale engineering solutions, it is anticipated that the £500m allowance from Ofgem should cover both National Grid's and the Scottish TOs' proposed schemes.

A discussion was held regarding some of the similarities and differences between the two processes, including lessons that can be learned for the next price control period (see Section 4.2). It was also suggested that National Grid and the Scottish TOs may be able to work jointly on an enhanced LEI-type scheme that could operate on a GB-wide scale.

3 – Update on the Landscape Enhancement Initiative (LEI)

Ben Smith and Mary O'Connor (Chair of the LEI Approvals Panel) gave an update on progress with the LEI. Three projects (High Weald AONB Partnership, Peak District National Park Authority and North York Moors National Park Authority) have received funding and are now underway with monitoring due to begin shortly. Two other projects from Window One (both in the Snowdonia National Park) are still under review with Ofgem.

3.1 – Ofgem approvals process

A number of applications that have been submitted to Ofgem are still pending approval, with funding approvals deadlines set for October now passed. These delays are known to be causing frustration for applicants and there is a real risk that some projects may be jeopardised and potentially abandoned if the situation is not resolved soon. A discussion took place about what can be done to help Ofgem to speed up the process.

The Stakeholder Advisory Group's aim was to spend £4m per annum and if the current schemes are approved, only around £2m will have been spent since the scheme commenced in May 2016. It was noted that it was the Stakeholder Advisory Group's aspiration to allocate five percent of the VIP allowance to LEI (approximately £24m in total over its lifetime). Although a relatively small amount in the context of the full allowance, the potential landscape improvements it could deliver are significant and in the current funding environment would make a very positive contribution to the enhancement of the landscape in England and Wales.

It was acknowledged that Ofgem must be scrupulous when reviewing and approving the spending of consumer money. To aid this, the LEI applications and approvals process was designed so that the expert Approvals Panel could present a fully-reviewed end product to Ofgem that would effectively require only a headline review.

As discussed at previous meetings, Ofgem is currently asking for an extensive amount of additional and often very detailed information from applicants. Anna Kulhavy (Ofgem's representative on the Stakeholder Advisory Group) has advised that Ofgem will not require as much detail in the future and will rely more on the LEI Approvals Panel's information. Lack of resource within Ofgem to deal with the applications remains an issue.

Stakeholders present confirmed that a great deal of effort has gone into getting the AONBs and National Park Authorities to participate. The AONBs and National Park Authorities themselves have also invested considerable time and effort engaging with third party partners and landowners (in line with the LEI criteria), encouraging them to work in partnership to develop schemes. The subsequent delays and requests for more detailed information are now undermining their confidence in the scheme and damaging the reputation of the AONBs and Park Authorities.

Actions:

- **Michelle Clark** – Discuss with colleagues in National Grid who the issues need to be raised with in Ofgem.

3.2 – Current and future applications

Four applications were received in the current application window (Window Three) and two more have been postponed until Window Four. The next Approvals Panel meeting is due to be held on 4th December 2017. Window Four will open in Quarter 1 of 2018, and expressions of interest for Window Five will open in Q2/3 2018.

Another workshop is planned for next summer with the aim of getting more AONBs to apply to the LEI. However it was noted there is a need for the scheme to be in a better position with Ofgem before this point and that some remedial communications activity would be required to turn around growing negative perceptions among the target community.

4 – VIP policy review and preparation for the next price control period (RIIO-T2)

4.1 – VIP policy review

The original VIP policy published in 2013 stated that the policy would be reviewed in 2017 – roughly mid-way through the RIIO T1 price control period. Hector Pearson gave an overview of the review process that has been undertaken by National Grid. An internal review concluded that the policy has worked well to date so that there is no reason to change anything significantly. While the policy is still felt to be fit for purpose, the need to make some minor updates was identified.

National Grid therefore invited Advisory Group member organisations, members of the Stakeholder Reference Groups in each of the prioritised areas and all the eligible AONBs and National Park Authorities, as well as wider stakeholders via the website to make their views known. There were seventeen responses to the consultation, which had closed on 26 October 2017.

A number of proposed updates to the policy were presented to the Advisory Group for their review and endorsement. These included:

- Removal of the word 'new' in relation to the VIP allowance.

- An update to organisational logos, contact details, websites etc.
- Adding in that the VIP allowance can be spent on the LEI.
- More detailed reference to the relevant planning policy frameworks in the footer of Section 1: 'Introduction'.
- Inclusion of the fact that the landscape assessment methodology conforms to GLVA.3 (the industry standard for such assessments).
- Potential to reword Principle 2 to add in reference to impacts on the historical environment.

Following discussion, it was agreed that the re-wording of Principle 2 be delegated to National Grid, and the proposed amendments were agreed.

Other comments from stakeholders included a suggestion to consider fewer but more comprehensive schemes in future price control periods. There was also a request from the Environment Agency that it should be included in the list of organisations invited to be members of the Stakeholder Advisory Group. It was agreed that National Grid should propose a meeting with them to discuss this as they had originally declined an invitation to be part of the Stakeholder Advisory Group.

Actions:

- **National Grid** to update Policy document and re-publish
- **National Grid** to contact the Environment Agency to discuss membership of the Stakeholder Advisory Group

4.2 – Preparation for the next price control period: RIIO T2

Michelle Clark outlined the process that will take place in advance of the next price control period (RIIO T2) which starts in April 2021. For National Grid to have a new licence in place by this time, it needs to submit its first submission to Ofgem in March 2019. As part of the preparation for this submission, National Grid needs to explore what its stakeholders and consumers want from all its activities over the next 10-year period. National Grid asked Advisory Group members to expect to be contacted by colleagues outside the VIP project to understand their views more broadly.

Specifically, on VIP, there are therefore approximately 12 months for National Grid and the Stakeholder Advisory Group to put together a firm proposal for what the VIP project might look like in T2.

In addition to a wider stakeholder engagement programme, National Grid wants to get the group's input on various options/opportunities for the VIP policy including e.g.:

- Working with DNOs to develop joint visual improvement projects.
- Continuation of the VIP policy using the original assessment methodology.
- Identifying wider projects for visual improvement.
- Continuing with the investment in the LEI.
- Visual improvement of sub-stations in the setting of AONBs/National Parks
- Using the VIP policy to:
 - Assess the list of projects against different filters.
 - Identify and nominate specific projects to take forward.

It is intended that the next meeting in February 2018 will focus on this topic, and following a brief discussion about their immediate thoughts/viewpoints, the Stakeholder Advisory Group members were encouraged to think further and talk to their colleagues about VIP over the next few months.

5 – Stakeholder Advisory Group membership and future meetings

5.1 – Group membership

There have been a number of changes to the membership of the Stakeholder Advisory Group:

- Chris Baines wrote to the CEO of Visit England in September 2017 to request that a replacement for Sam Oakley is nominated, but has not received a response.
- Peter Ogden has retired as Director of CPRW (although he represented CPRW at this meeting) and a new representative is yet to be appointed.
- Cadw has confirmed that its Principal Inspector of Ancient Monuments, Dr Kate Roberts will replace Ashley Batten. Kate is also the Cadw representative on the LEI Approvals Panel.

5.2 – Future meetings

The next Stakeholder Advisory Group meeting will take place in February 2018 in Birmingham.

This meeting will include brief updates on the four prioritised projects and the LEI, plus more detailed discussions regarding National Grid's preparations for the next price control period, including consideration of lessons learned during the first round of the VIP project.