

VIP Stakeholder Advisory Group
Minutes of the sixteenth meeting held on 5th to 6th November 2019

Stakeholder Advisory Group members present:

- **Chairman** Chris Baines
- **Cadw** Kate Roberts, Principle Inspector of Ancient Monuments
- **Campaign for National Parks** Ruth Bradshaw, Policy and Research Manager
- **CPRE** Tom Fyans, Deputy Chief Executive
- **Historic England** Amanda Chadburn, Senior National Infrastructure Adviser
- **Landscape Institute** Mary O'Connor, WYG Associate Director
- **National Association of AONBs** Howard Sutcliffe, AONB Manager, Clwydian Range and Dee Valley AONB
- **National Grid** Barney Wyld, Director of Corporate Affairs
- **National Parks England** Sarah Kelly, Landscape Officer, New Forest National Park Authority
- **National Parks Wales** Jonathan Cawley, Director of Planning and Land Management, Snowdonia National Park
- **National Trust** Dr Ingrid Samuel, Historic Environment Director
- **Natural Resources Wales** John Briggs, Specialist Advisor: Landscape
- **Ofgem** Anna Kulhavy, Senior Economist

Apologies:

- **Geoff Sinclair, CPRW**
- **Caroline Cotterell, Natural England**
- **Alison Hallas, The Ramblers**
- **Lawrence Manley, Visit Wales**
- **Michelle Clark, National Grid VIP Project Manager**

Guests:

- Tom Munro, Manager Dorset AONB Partnership [site visit on 5th November]
- Professor Denise Hewlett, University of Winchester [presentation on 6th November]

Secretariat in attendance:

- **National Grid** – Alice Delahunty, Head of Network Optimisation; Aaron Zuill, Connection Investment Manager; Ellie Frank, VIP Project Manager (North); Ben Smith, VIP Project Manager (South); Andrea Key, Consents Officer; and Chris Hawkins, Senior Investment Engineer
- **Camargue** – Stuart Fox; Jane Dalton

The VIP Stakeholder Advisory Group carried out a site visit to the project in the Dorset Area of Outstanding National Beauty (line section 4YA.7) on the afternoon of 5th November 2019, followed by a full day meeting on 6th November.

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

- Review the planning application for the Snowdonia project
- Hear updates on the schemes prioritised for replacing existing overhead lines with underground cables in Areas of Outstanding Natural Beauty (AONBs) and National Parks in England and Wales
- Review progress on the feasibility of the project in the North Wessex Downs
- Receive an update on the Landscape Enhancement Initiative
- Receive an update on National Grid's willingness to pay research and how this will influence the VIP funding provision in RIIO-T2

1 – Project update and planning application for Snowdonia National Park – 4CZ.1

Ellie Frank and Andrea Key from National Grid gave an update on the Snowdonia scheme and provided an overview of the planning application that is due to be submitted shortly.

1.1 – Overview of scheme

This project involves constructing a tunnel under the Dwyryd Estuary to carry the connection from Cilfor to the sealing end compound at Garth to join up with the existing cables that run under the Glaslyn Estuary to the northwest.

1.2 – Progress update

Since the last meeting, Heads of Terms for tunnel easements have been issued to the affected landowners. There are private landowners as well as Crown Estate and Welsh Government land, plus three Network Rail crossings and a Heritage Railway crossing. Discussions are ongoing and there are no known ‘in-principal’ objections.

Discussions are also ongoing with Network Rail over their proposed ‘lift and shift’ terms, but given precedents on previous National Grid projects it is anticipated that this can be resolved.

Heads of Terms for the tunnel head houses, construction sites and minor rights are due to be issued shortly following positive landowner discussions.

Whilst it is not anticipated that pursuing National Grid’s powers for compulsory purchase will be needed, risk mitigation has begun in case it is required. The Stakeholder Advisory Group agreed that they would support National Grid in pursuing this option if it was deemed necessary as a way of securing all the land rights that are needed to deliver the project. This was in line with the approach for Dorset (where, ultimately, compulsory purchase was not required).

Tenders from construction contractors for the main tunnelling work on the project are due back on Friday 8th November. National Grid advised that they have been very impressed with the bidders, who have put in an incredible amount of work. The bidders are all proposing different approaches, with variations in the tunnel alignments and sizes being proposed. Different approaches are also being proposed for dealing with ground conditions including, for example, faults, running sands, mixed geology, hydrostatic pressures and water ingress.

Ofgem asked for clarification on when the contract for the tunnel will be awarded. National Grid confirmed that it will either be after the funding has been decided (around September of next year), or, depending on how the bid is presented (e.g. if the contractor wants to do extra boreholes), it could be awarded before the funding decision but with a break clause aligned to the funding decision.

The tender process for the overhead line removal has not yet been launched as the works for this will be in approximately six years’ time, and a contractor cannot be expected to hold their prices for this length of time.

Other work that is ongoing includes:

- Environmental assessment work which is now nearing completion
- Finalisation of the mitigation and enhancement proposals
- Preparation for the pre-application consultation
- Preparation for the Ofgem funding submission.

Stakeholder Advisory Group members requested a pack of information to support local teams in responding to the planning application, and the National Grid team confirmed that this will be very easy to do as this information already forms part of the planning application and pre-application consultation.

1.3 – Overview of planning permission submission

It was noted that this is now the third VIP scheme that is going forward for planning and National Grid presented an overview of the key elements of the planning application.

Four elements are included in the planning application:

1. Construction of a new tunnel head house at Garth, including permanent access
2. Temporary construction compound at Garth
3. Construction of a new tunnel head house and sealing end compound (combined) at Cilfor, including a permanent floating road access
4. Construction compound at Cilfor

These elements will be considered under a combination of consenting regimes and determined by different authorities as follows:

- Use of Permitted Development Rights (including underground cable, shaft and tunnel construction)
- Section 37 Exemptions (new tower 4ZCO27) and OHL works to tunnel head house sealing end compound (east side) at Cilfor – Snowdonia NPA
- Town and Country Planning Act 1990 (tunnel head houses, sealing end compound and compounds) – Snowdonia NPA
- Use of Existing consents (tower removal) – Snowdonia NPA
- Marine Licence:
 1. Tunnel construction and cable-laying - NRW
 2. Tower removal – NRW

Updates on key elements that are included in the planning application included:

Tunnel arisings: Potential receptor sites for the tunnel arisings will be identified as part of the appraisal work but will not be committed to until the construction contractor has been appointed. The National Grid waste hierarchy will be followed, with the aim being to divert as much as possible away from landfill. The initial borehole testing identified some pyrite content, and it is therefore anticipated that some of the waste will need to be treated in order for it to be re-used. The waste chapter in the planning application will identify potential receptor sites, and the contracting process may also identify third parties that can use the waste.

Removal of tower foundations: The approach for removing tower foundations has now been firmed up. A Habitat Regulations Assessment (HRA) is underway and a draft will be submitted to NRW for review ahead of the formal submission. Two of the towers are in the designated area and access to the third one is within the designated area. Different proposals are being made for the different pylons based on their foundation designs. The aim will be to remove as much of the foundations as possible in line with NRW's conservation objectives for the site. The full impact of doing the works will not be known until the contractors are on site, and there is still the option to *not* remove the foundations if the impacts are considered to be too great. In response to a number of questions, it was confirmed that the first choice is to remove any visual impact, but if there would be an adverse environmental impact in doing so they may be left in place. Questions were also

asked about the ecological value of the foundations as well as their impact on the flow of the estuary.

Design work on tunnel head houses: The Stakeholder Advisory Group was shown pictures of the proposed buildings for the tunnel head houses that have been designed by the architects as well as landscaping and screening proposals that have been produced by Gillespies, both in consultation with the local authorities. The aim has been to come up with designs that sit well within the landscape.

At the Garth end of the tunnel (which is outside the National Park), the majority of local feedback from consultation events has been that they would prefer something that is in keeping with the local landscape, and not the modern design that was originally put forward. There has also been some discussion about the building materials, and National Grid is required to submit the materials that will be used as part of the planning application. There are a number of properties in close proximity to this tunnel head house, and proposals have also been put forward for retaining as many trees on site as possible, together with additional landscape planting to screen the views.

A different approach is being adopted for the Cilfor tunnel head house which is also the site of the sealing end compound. A more modern/striking building with an industrial and curved design has been chosen for this location, and the gantries of the sealing end compound have been built into the back of the design where they will be hidden from the road behind the curved façade. This location is in the National Park and there has been lots of local support for this design which features a treated steel façade known as Corten. The detailed drawings will be included in the planning application.

Ecology and peat: The habitat at the eastern side tunnel head house falls within the Environment Act (Wales) 2016 Section 7 due to the presence of mire/peat. National Grid is therefore working with the NRW peatland officer and the local ecological officer on environmental mitigation. Further peat surveys are due to take place in the next week and they are also looking at sites for offsetting any impacts.

Noise limits and working hours: There are very restrictive limits due to requirements for low background noise during construction, and these will impact on working hours, put limits on HGV and machinery movements, and also need to be considered when looking at methods for the power supply to the tunnel boring machine. Construction bidders have been requested to do a considerable amount of work on noise minimisation. Discussions are also ongoing with Scottish Power Energy Networks (SPEN) with regards to the power requirements for the tunnel boring machine.

Pre-application consultation: It was noted that a significant amount of consultation work has been done since 2015, so the team are hopeful that all of the major issues have already come to the fore. A pre-application consultation will be launched on 6th December, and it will be longer than the usual 28 days due to Christmas and New Year. All of the information will be available on the project website and there will also be a hard copy in the National Park Authority office. The team will be writing to all statutory and non-statutory consultees, as well as councillors at the National Park Authority, Gwynedd Council, and the community and town councils that are affected. Letters will also be sent to all the local residents in the surrounding area/villages. It was noted that, whilst there has already been a lot of discussion, the planning application is about the final options that have been chosen, and there will be a lot of interest in some of the detail including traffic movements.

In response to a question about translation of documents into Welsh, it was confirmed that National Grid and Camargue have been working closely with the planning officer to agree which documents needs translating. The technical documents are not being translated, but all letters and consultation materials have been translated, SRG meetings are conducted in Welsh and there will be at least one Welsh speaker at the drop-in events. The representative from Snowdonia National Park Authority agreed that this has been a good model for other developers, and the approach has been viewed/received very positively in the local community.

1.4 – Indicative programme and further opportunities

The indicative programme is for the planning application to be submitted in late January 2020 and the Ofgem funding submission at the end of February. Subject to a successful planning determination and funding decision, construction will start on site in January 2021 and the overhead line and pylons will be removed in 2025/2026.

The Stakeholder Advisory Group were shown the photo montages that have been agreed for inclusion in the planning application showing how certain views will look once the overhead line and pylons have been removed. It was also noted that in addition to these planning compliant photographs, there is a great opportunity for programming further “before and after” images from lots of different locations including e.g. the local Heritage Railway station. A discussion was also held about the potential for some form of academic research in conjunction with local universities to assess people’s reactions to the environment now and in a few years’ time [see also Section 4 below].

Action:

- **Camargue to provide information to local teams and SAG members to support their response to the application.**

2 – Update on the other schemes shortlisted for underground projects

Ben Smith, Chris Hawkins, Ellie Frank and Andrea Key from National Grid gave an update on the progress of the other schemes that have been prioritised to be taken forward. A summary of progress and specific issues for each of the schemes is outlined below.

2.1 – Dorset AONB – 4YA.7

Following successful approval of the planning application for the Dorset project in June 2018 and the subsequent funding approval from Ofgem in November 2018, construction on this scheme is now under way. Stakeholder Advisory Group members were taken on a site visit to the project the day prior to the meeting, accompanied by Tom Munro, Manager of the Dorset AONB Partnership.

The scheme is due to be completed towards the end of 2021, with full reinstatement by March 2022. It was agreed that a further site visit should be organised when the project is completed.

2.2 – North Wessex Downs AONB – YYM.1

Ben Smith and Chris Hawkins of National Grid gave an update on the progress with this project which was accelerated for development during RIIO-T1 following the pause of the New Forest scheme. The section of line is north of Devizes at the edge of the Roundway Down battlefield site, and the project involves the undergrounding 4.4km of overhead line and the removal of 11 pylons.

There is considerable local support for the scheme from the North Wessex Downs AONB Partnership and other stakeholders, and constructive conversations have also been taking place with the two affected landowners. Initial investigations and design work on the cable alignment and underground

road crossing have also shown that the project should be relatively straightforward from an engineering, design and planning perspective.

The archaeological significance of this site is extensive as the land to north of the overhead line is the battlefield site. National Grid is working very closely with the Wiltshire County Archaeologist and Historic England, and archaeological investigations to date have included geophysical surveys, metal detecting and field walking on the site. There have already been a number of finds (including a cannon ball and musket balls, a Roman brooch and a silver farthing) and there is a great deal of excitement about what else might be found in future works. In relation to a question regarding the cost of the archaeological investigations, National Grid confirmed that the agreed schedule of works is well within the scope of the amount of work completed for the Dorset scheme, and that the cost per unit is relatively low.

Other key activities on this project to date have included:

- The first meeting with the local technical Stakeholder Reference Group on 23rd July 2019, and a number of meetings/conversations with other stakeholders. The next Stakeholder Reference Group meeting will take place early in 2020 and public information/drop-in events are being planned for spring 2020.
- Significant work on determining suitable locations for the new sealing end compounds. The site at the western end is fixed, and a good location at the eastern end has been found near to the canal with good screening from existing trees.
- Ongoing ecological surveys have identified some traces of great crested newts, and the presence of a large number of badgers, but little else of significance to date.

Despite the solid progress made, it has become clear that it will not be possible to get to the stage of submitting a funding submission to Ofgem during the current price control period due to the very tight timescales. The National Grid VIP project team therefore asked the Stakeholder Advisory Group to consider whether it wanted to continue the development of this project as a RIIO-T2 project, and sought confirmation from the Ofgem representative that RIIO-T1 funding will be available for the development of the scheme now as an early RIIO-T2 project.

The Ofgem representative confirmed that the decision to continue with the VIP provision in RIIO-T2 has been made, and that the availability of funding during the next price control period is therefore not a risk. It was, however, noted that Ofgem has not yet had the formal RIIO-T2 submission from the network transmission operators and that it will be in the hands of National Grid to put this project forward as part of their business plans. The funding provision from RIIO-T1 cannot be carried forward into RIIO-T2, and there is therefore a slight financial risk to National Grid if the project is not ultimately given funding approval. It was, however, further noted that the development costs are a relatively low part of the project cost.

With regards to the prioritisation of this scheme, a discussion was held about the project selection process, and there was a reminder that an element of the decision-making process when the New Forest scheme was paused was that the North Wessex Downs scheme was the only potential replacement project that could possibly be delivered during RIIO-T1. Stakeholder Advisory Group members felt that this was a justifiable position, and also reiterated that in order to complete three projects within the next five-year price control period, having at least one project that is well underway is essential. Ofgem also confirmed that this would be their expectation and that, whilst there are some complex projects that will take several years to develop, they would expect there to be a pipeline of projects that are ready to go early in the next price control period.

Given the extent of local support for the scheme, it was noted that it would be a considerable let-down for the stakeholders if the project was not continued, and concerns were also expressed about the reputational risk for the overall VIP programme if the project were to be shelved at this stage. National Grid also advised that they do not wish to lose momentum on the project, and the revised timescales would allow them plenty of time to develop the scheme further.

It was therefore agreed that National Grid should continue with the development work on this project. This will include the commencement of ground investigation works after the winter, further archaeological investigations and continued ecological surveys, with a view to moving into more detailed design work in 2020.

2.3 – Peak District National Park (eastern section – ZO.2)

Ellie Frank and Andrea Key from National Grid gave an update on the Peak District scheme including the progress with the planning application process following submission of the planning application on 8th August 2019.

2.3.1 – Overview of scheme

The project involves undergrounding approximately 2km of overhead line and replacing the existing sealing end compound at Dunford Bridge with a new one in a local wildlife site at Wogden Foot. Undergrounding would be by direct burial within the Trans Pennine Trail (TPT), and the works therefore also require a temporary diversion of the TPT for approximately one year across agricultural land. Construction is planned to commence in June 2020 and the works will take approximately 2-2.5 years to complete.

2.3.2 – Progress since the last meeting

Since the last Stakeholder Advisory Group meeting in July, the planning application and the Ofgem funding applications have both been submitted, and planning is currently being determined. National Grid is also progressing a separate planning application for enhancements to the existing car park at Dunford Bridge, including tree planting, a new picnic area and a link through from the local pub to the TPT.

The scheme has received a negative screening opinion twice, confirming that the project does not require an environmental impact assessment (EIA). An Environmental Assessment Report (EAR) was submitted with the application.

A further meeting has been held with Yorkshire Wildlife Trust which is still maintaining its position of objecting to the project due to its impact on the Wogden Foot Local Wildlife Site, and the National Grid team have been continuing to pursue the options for achieving biodiversity net gain for the project overall. Policy requires 10% net gain and, whilst it does allow for off-site enhancement to go to a wider area or for a monetary value to be paid, Barnsley Metropolitan Borough Council (BMBC) have adopted a restrictive approach and asked for it to be within 1km of the Wogden Foot site.

There was support from stakeholders, including Yorkshire Wildlife Trust for enhancement of a site close to Wogden Foot but unfortunately the landowner does not want to participate. A considerable number of other nearby options have been exhausted either due to lack of landowner support or because the net gain would be too small.

As it is not possible to achieve everything that is needed within or close to the site boundary, off-site mitigation and enhancement is being explored and there have been lots of discussions with landowners regarding this. There are two potential sites that are owned by Yorkshire Water – these are currently conifer plantations, and potential enhancement could include thinning of the conifers,

broadleaf planting on the edges and restoration of the heathland. National Grid is confident that the required net gain can be delivered through these sites, alongside the existing mitigation that is already planned as part of the scheme. Discussions are ongoing with Yorkshire Water, and National Grid is also continuing to try to identify other sites. The Group raised the potential of creating additional meadow habitat within the village once the sealing end compound is removed. Once the plans for off-site mitigation are finalised, National Grid will go back to BMBC who will then need to consult with their ecologists and Yorkshire Wildlife Trust on the proposals.

In response to a question about where the 10% requirement comes from, it was confirmed that it is a combination of DEFRA guidance, the National Planning Policy Framework, and National Grid's corporate policy.

2.3.3 – Planning determination update

The planning application is currently being determined and the application is being led by BMBC. National Grid reported that despite considerable local support for the scheme, and a programme of stakeholder engagement that has taken place over the last five years, there have been a number of frustrating and challenging responses to the planning application. National Grid and Camargue are now working closely with the planning officer from BMBC to try to work through the issues.

Objections/challenges to date have included:

- Objections from Yorkshire Wildlife Trust and BMBC's Biodiversity Officer due to the permanent loss of 0.3% of Wogden Foot Wildlife Site, and concerns about the potential impact of loss of habitat on the willow tit.
- An objection from the National Trans Pennine Trail Executive due to the TPT diversion being temporary and lack of perceived benefit to the TPT. As outlined at previous Stakeholder Advisory Group meetings, landowner consent for the diversion has only been gained on the basis of it being a temporary route, and the planning application for this part of the scheme has therefore been submitted on that basis.
- Highways England want to look at the transport assessment in more detail. BMBC Highways team has previously been happy with the proposed arrangements, but a new team is now in place and this has led to more queries. In the last few days Highways England has come back with further comments, and it is hoped that their holding position can be resolved.
- 35 objections from individuals and rail groups hoping that the railway line will be reinstated despite it not being in Transport for the North's 30-year strategic plan. National Grid confirmed that burying the cables underground would not make it impossible to re-open a line in this area at a future date.

The Peak District National Park Authority supports the scheme and the portfolio holder for Environment at BMBC remains supportive. Support has also been expressed by the local CPRE group who have written an excellent response, the county archaeologist, the current MP/Parliamentary Candidate, and a number of local residents.

The situation is felt to be finely poised. In writing her report for BMBC's Planning Committee, the planning officer has to be certain in policy terms that the planning application is sound, and whilst National Grid is confident that it is in a good position from a policy perspective, the nature of some of the objections could put the planning officer in a difficult position. It was originally intended that National Grid would go to BMBC's 17th December Planning Committee, but it now feels sensible to do more work and go to the January 2020 Committee instead. With regards to the impact of delays

on the project, National Grid advised that there is room for a small delay, but if a decision is not made by March 2020 it will have an impact on the programme.

It was acknowledged that the project has reached a critical stage, and the need for a more strategic intervention and a conversation between National Grid, representatives of the Stakeholder Advisory Group, the Peak District National Park Authority and BMBC was suggested. It was also reiterated that there is a real need for those who want the scheme to go ahead to fully get behind it and campaign for it, and that National Grid cannot do this on their own. Stakeholder Advisory Group members requested a briefing/information pack to help them in doing this, to include a summary of the current situation, the objections (and the reasons behind them), and what is being done to counter them. Whilst it was agreed that this could be prepared, it was also noted that one of the key issues is that National Grid still do not know the full detail of all of the responses that have been sent in.

A discussion was also held about the broader impact and reputational risk for the VIP scheme as a whole if another project were to fall away. It was noted that, despite considerable local and national support for both the New Forest and Peak District projects, if ecological impacts and objections from a small number of stakeholders are able to prevent nationally-important schemes such as these going ahead, there is a need for a broader strategic review of how issues can be anticipated and addressed. Whilst it was acknowledged that the extent and nature of the stakeholder engagement that has been carried out during the development of these schemes has been good, it is now becoming apparent that this strategy on its own is perhaps not enough and it is worth considering what else can be put in place for future schemes. It was also noted that the concept of delivering landscape benefit through projects such as these is relatively new in the UK, and with little experience to draw on, the inherent risks involved in trying to achieve landscape improvements are only now becoming apparent. The need for organisations such as those that are represented on the Stakeholder Advisory Group to step up and endorse/champion the VIP scheme as a whole was also noted. It was agreed that the broader strategic issues for the VIP scheme as a whole will be revisited at a future Advisory Group meeting.

Actions:

- **Camargue** – Send an information pack to all Stakeholder Advisory Group members.

3 – Update on the Landscape Enhancement Initiative (LEI)

Ben Smith from National Grid gave an update on progress with the LEI.

3.1 – Project application updates

Window 6 – Eight full applications were submitted during this window and they are currently being reviewed by Ofgem. Following the required 28-day licence consultation, final approval and the release of funds is expected to occur around December 2019/January 2020.

Window 7 – Expressions of interest closed on 28th June 2019 and seven applications were received.

Window 8 – Expressions of interest will open in January 2020.

A WebEx workshop took place in May 2019 with the purpose of encouraging further applications during the current price control period, and a further one is due to be held on 13th November 2019. The materials from these workshops are available online on the LEI website.

Stakeholder Advisory Group members were also shown images from the Over Silton bridleway improvement project that has now been completed in the North York Moors National Park.

3.2 – LEI in RIIO-T2

As advised at the last meeting, Ofgem has confirmed that the LEI will continue in RIIO-T2. The amount allocated to the LEI will be 2.5% of the total VIP funding, whatever the size of the overall provision. Ofgem will retain the existing approvals process for the larger funding submissions, but LEI projects will no longer be required to be sent to Ofgem for approval. A process is now being set up that will enable the LEI Approvals Panel to approve projects, and for National Grid to report on the costs to Ofgem for the formal consultation process to be undertaken.

A discussion was held about the need to keep up the momentum during the shift in the approvals process between RIIO-T1 and RIIO-T2, and what can be done to encourage further applications given the uncertainty about the exact amount of funding that will be available. Ben Smith confirmed that a strong message is being put out that the LEI is continuing in the next price control period. The LEI Approvals Panel is also working hard to ensure that the pre-work on applications is completed so that submitted projects can get off the ground early in RIIO-T2. The Ofgem representative confirmed that Ofgem are planning to issue initial proposals for RIIO-T2 in June 2020, including an indication of the value for the T2 VIP provision. Whilst these proposals will be subject to consultation, there will be a degree of increasing certainty/clarity at that point.

Suggestions from National Grid and the LEI Approvals Plans for enhancing and improving the scale of the projects being pursued through the LEI (termed 'LEI Plus') will be presented at the next Advisory Group meeting, including an overview of several potential schemes that have been identified.

3.3 – Progress with securing seed funding

Chris Baines gave an update on the discussions that have been taking place regarding the potential for the provision of additional seed funding to help the identification and initial development of projects.

As previously reported, discussions with the Esmee Fairbairn Foundation were initially very positive, but they did identify the need for a host organisation. Whilst Natural England were willing to provide that role, it was ultimately determined that it was not possible for the Esmee Fairbairn Foundation to proceed due to restrictions on their ability to provide funding to a government agency. Subsequent discussions with the Heritage Lottery Fund were also very positive, but further progress has not been made at this stage, and issues would still remain around the need for a host organisation.

Chris Baines advised that a meeting has been held with the new VIP Stakeholder Advisory Group representative from Natural England (Caroline Cotterell – Director, Resilient Landscapes and Seas), and there is a great deal of support within Natural England for this initiative to happen.

A discussion was held about how the issues can be overcome, and other potential host organisations including the National Trust and the Association of AONBs were considered. It was agreed that these options should be explored further.

Actions:

- **Ben Smith, National Grid** – Circulate the links to the WebEx workshop materials and the High Weald example application.

4 – Presentation from Professor Denise Hewlett, Winchester University

At the previous meeting, Stakeholder Advisory Group members were advised that Dorset AONB and the VIP project team had been approached by Professor Denise Hewlett [Principal Investigator Economic and Social Research Council (ESRC) Tranquillity Project] regarding the potential to collaborate on a research project that would carry out baseline studies and then map people's perceptions before and after the VIP intervention. The research would also be able to feed into a much larger research study that is being undertaken regarding tranquillity.

Members of the Stakeholder Advisory Group expressed their support for this kind of research, and Professor Hewlett was invited to today's meeting to present an overview of the tranquillity research that she has been involved in since 2000, alongside an overview of the outcomes of the initial baseline studies that have now been carried out in Dorset. There was also a focus on how the research to date has been used/implemented in e.g. planning policy, management plan construction, enhancing insights, implementing management of special qualities, informing consultation responses and advice on management planning.

Professor Hewlett was thanked for her time and initial insights, and the opportunities for further research opportunities arising from the VIP projects were discussed.

5 – Update on RIIO-T2 and National Grid's willingness to pay research

5.1 – Update on the willingness to pay research

Aaron Zuill from National Grid gave an update on National Grid's willingness to pay research that is being carried out as part of the RIIO-T2 submission process.

Based on positive stakeholder responses to Ofgem's RIIO-T2 sector-specific methodology consultation, Ofgem has decided to retain the VIP provision for the T2 period, and confirmed that the amount of the funding provision will be determined based on specific willingness to pay research and other relevant results. The scope of the provision will continue to cover National Parks and AONBs, and the process for larger funding submissions will remain unchanged.

As advised at the last Stakeholder Advisory Group meeting in July, National Grid's stakeholder engagement on their plans for the next price control period also showed that there was support for continuation of the VIP provision into RIIO-T2, and an initial phase of consumer willingness to pay research was carried out in early 2019 with both domestic and business consumers in conjunction with the Scottish transmission network operators.

Since the previous meeting, more detailed work on consumer willingness to pay has been carried out by National Grid. This has included:

- A 'gamified' study on the draft RIIO-T2 business plan – a nationally-representative consumer research study based around an interactive online tool (covering visual impact as one of the topics alongside others such as cyber security and asset replacement).
- Acceptability testing on the draft RIIO-T2 business plan – this was based on a forecast of the T2 costs required to complete projects which have been, or could have been, funded out of the T1 provision. At the time of the research, this included North Wessex Downs.

It was noted that whilst all the research has demonstrated general acceptability for continuation of VIP, the different elements have shown a wide range of how much consumers are willing to pay. National Grid stated that one option would be to carry out further research, and that it is in ongoing

discussion with its Scottish counterparts to determine whether further research might help to clarify the position.

In response to questions about how the current funding provision of £500m was determined, National Grid and Ofgem confirmed that it was greatly influenced by the RIIO-T1 willingness to pay work. There was also discussion about whether some of the other potential factors (e.g. types of project, number of pylons or length of line being removed, direct impacts on residents/visitors, visitor numbers, etc.) should be included as part of any further research. There was a reminder that some of these factors were covered in the Landscape and Visual Impact Assessment studies that were carried out, and/or formed part of the Stakeholder Advisory Group's deliberations in coming up with the initial short list of projects.

National Grid will report back on the discussions re further research at the next meeting of the Advisory Group and, if further research is required, will liaise with Stakeholder Advisory Group members to shape any questions that might be asked.

5.2 – Core projects for RIIO-T2

There was a reminder that the core projects that have been shortlisted for development in RIIO-T2 are:

- North Wessex Downs AONB (early development work already under way)
- Cotswolds AONB
- Tamar Valley AONB

The following three potential projects will continue to be monitored closely with regard to developments that could impact their feasibility:

- New Forest National Park (currently paused due to potential complications arising from habitats regulations)
- Peak District western section (progress linked to Transport for the North strategic plans for the A628 corridor)
- Anglesey/Menai Straits (impacted by Welsh Government no longer progressing a third Menai crossing)

6 – Any other business and future meetings

6.1– Update on projects in Scotland

Ben Smith gave an update on the progress of the VISTA and VIEW projects that are being undertaken in Scotland by SSE and SP Energy Networks (the Scottish Transmission Network Operators). There was a reminder that there is a significant difference in the scale and size of works for the removal of the lower voltage lines of the Scottish transmission network (132kV as opposed to 400kV).

- **SSE** – Two undergrounding projects in the Cairngorms are now under way, and a tower painting and planting scheme at Loch Tummel has been approved by Ofgem. Three further schemes including one in Glen Falloch and one at Loch Sloy are being pursued for approval during RIIO-T1.
- **SPEN** – As advised at the previous meeting, projects in Loch Lomond and the Trossachs are under way, and other LEI-type work is ongoing. SPEN are, however, now facing similar issues to the New Forest National Park project regarding the presence of European designations in the vicinity of one of their projects, and discussions are ongoing as to whether this will affect its progress.

It was suggested that a broader update on the projects in Scotland could be incorporated at the next Advisory Group meeting alongside discussions on the development and broadening of the LEI scheme.

6.2 – IROPI and habitats regulations

Chris Baines advised that a key issue that was discussed during his meeting with Natural England was the potential future of habitats regulations following Britain's withdrawal from the European Union, and the impact that the interpretation of the current European Habitats Directive (and IROPI in particular) has had on the New Forest National Park VIP project and could potentially have on future projects. Natural England has confirmed that it would be happy to take the lead on this issue when the time is right, and the National Trust also advised that it would be very interested in engaging on this issue in line with their other priorities.

6.3 – Future meetings

The next Stakeholder Advisory Group meeting will take place in April 2020 in Birmingham.