

ANNEX TO VIP POLICY

Landscape Enhancement Initiative

**Annex to the Visual Impact Provision Policy document:
How we intend to reduce the visual impact of existing electricity
transmission lines in Areas of Outstanding Natural Beauty and
National Parks**

01: Introduction

The Visual Impact Provision (VIP) policy established the VIP Stakeholder Advisory Group which advises National Grid on the application and use of a £465 million¹ provision set up by Ofgem for electricity transmission owners to mitigate the landscape and visual impacts of existing electricity infrastructure in nationally protected landscapes in Great Britain. For National Grid, which is the electricity transmission owner in England and Wales, this means considering the landscape and visual impacts of our existing infrastructure in the 19 Areas of Outstanding Natural Beauty (AONBs) and seven National Parks in which we have electricity infrastructure.

The VIP Stakeholder Advisory Group has recommended that part of the provision should be made available for funding smaller localised visual improvements and landscape enhancement schemes in English and Welsh AONBs and National Parks. This is in addition to the small number of major capital engineering projects that are coming forward for funding from the provision. It is known as the **VIP Landscape Enhancement Initiative (LEI)**.

Overall the objective of the initiative is to reduce the visual impact of National Grid's existing infrastructure and enhance the quality of the affected landscapes. Where the visual impacts of the electricity transmission line cannot be directly screened or otherwise mitigated, it may be possible to shift emphasis away from the transmission line by enhancing the landscape in other ways.

02: What areas are included

The initiative applies to the 26 designated landscapes, both AONBs and National Parks, which have National Grid overhead electricity lines or substations within their area. It also applies to the four additional designated areas that have National Grid overhead lines adjacent, or relatively near, to their boundaries and which applied to National Grid to be considered in the Landscape and Visual Impact Assessment work and were subsequently included in the Landscape and Visual Impact Assessment. All 30 designated landscapes are listed in the Appendix 1.

03: Levels of funding available

The total provision available across all 30 eligible areas is up to £11.6 million until March 2026. The total sum represents 2.5 per cent of the possible total provision. A figure of 2.5 per cent has been set aside by Ofgem as being a reasonable amount to expect to spend in the allocated timeframe.

Funding under the LEI will be limited to 75 per cent of total costs of each project funded and there will be a maximum limit of £200,000 per application. Each AONB or National Park can submit up to a total of £600,000 in 'live' projects. Although there is no lower limit to the amount that can be awarded to an individual project, it will be in the interests of applicants to bundle smaller projects together in a single, linked application to bring about wider landscape benefits and reduce time input/costs in submissions.

Applicants will need to clearly evidence how the funding to cover the other 25 per cent of the costs will be raised. This can, for example, include financial contributions, costed volunteer time input, donation of land and donation of materials or services. Clear guidance will be

¹ £465m in 2018-19 prices.

provided about the valuation and costing of volunteer time on the projects along with what sources of funding may be used to contribute to the match funding. National Grid will provide guidance to applicants on hourly rates which can be claimed in relation to the type of work undertaken.

Project proposals that involve planting must include costed three-year plans for the establishment and maintenance of the planting scheme as well as a clear strategy for appropriate long-term management to ensure lasting benefits. The three-year maintenance costs are eligible for funding as part of the project costs.

04: What types of projects are eligible?

Projects should be clearly aimed at reducing visual impact and enhancing landscape quality in areas that are influenced by the presence of existing National Grid electricity transmission infrastructure (**not** distribution lines owned by other companies).

There is no fixed limit on the distance of eligible projects from the pylon line, but applicants will need to describe the existing nature of the landscape and visual impact which justifies the investment. In general, landscape and visual impacts decline with distance and the most important impacts usually occur within 3 km of the line. The information from the Landscape and Visual Impact Assessment (published separately) on the extent of theoretical visibility of the lines (combined with field checking) should be used as a starting point to inform the development of projects.

Projects may include work outside the boundary of the AONB or National Park provided it can be clearly demonstrated that the benefits are mainly inside the area, as a result of improvements to landscape quality and/or people's visual amenity. Projects may include any of the following (the list is not intended to be restrictive):

4.1 To reduce the visual impact on people living in or visiting the designated area

- Measures to reduce the impact at specific **public** viewpoints (these are not restricted to the viewpoints used in the Landscape and Visual Impact Assessment though these may provide a starting point) where there are views of the existing infrastructure experienced by local communities and/or by visitors to the area, including:
 - localised tree planting to address impacts from particular views
 - more generalised work to reduce the visual impact and improve landscape quality, for example by gapping up and/or changes in the management of hedgerows or other field boundaries if this may help to screen views or manipulate (distract) views at specific locations
 - changes to trails, cycleways, footpaths, riding routes or other means of access to reduce the impact of the overhead line on users. This could include re-routing of trails and paths, which would require consultation with the relevant authorities, statutory bodies and the consent of landowners.

4.2 To enhance the landscape in the designated area

- Measures aimed at enhancing the landscape in the area affected by existing electricity transmission infrastructure e.g. overhead lines and substations (not related to specific groups of people or viewpoints), for example:
 - a general increase in tree and woodland cover by schemes such as tree planting, woodland creation or planting of small copses where appropriate

- general improvements to the structure of the landscape by measures such as gapping up and/or changes in the management of hedges, hedgerows or other field boundaries and trees, orchards or other landscape features – as a result of the object to reduce visual impact, opportunities may also be exploited to:
 - enhance biodiversity by improved management of existing habitats, by creation or restoration of habitats or by enhancing opportunities for landscape and habitat connectivity e.g. landscape and nature recovery networks/corridors
 - enhance historic features in the landscape by restoration, consolidation and repair.

A list of potential suggested measures for both reducing visual impact and enhancing the landscape will be available in the guidance notes which accompany the application information.

05: Who can apply

- AONBs or National Park Authorities must submit the applications, even where applications are developed by others. Applications can consist of the grouping together of smaller-scale individual projects (developed by communities or others) into potential funding packages or bidding for a “small projects” fund which can then be allocated locally.
- Applications should demonstrate the active involvement or support of wider stakeholders and/or the local community.
- Applications must include the written consent from the landowners concerned.
- Projects that only benefit private property or private individuals will not be considered.
- Each AONB or National Park Authority can apply for a maximum of £200,000 per application and with a maximum combined total of live projects up to £600,000 at any one time.
- The AONBs or National Park Authorities would normally be involved in:
 - promoting the scheme and assisting in the identification of possible projects
 - liaising with communities or others to develop proposals and assist in preparing applications
 - overseeing the implementation and ongoing maintenance/management of approved projects to ensure that money is well spent, objectives are met, and quality is maintained
 - monitoring and evaluating the benefits of the funded projects over time
 - working with the VIP team to publicise projects at a local (and potentially national) level to demonstrate partnership working and promote best practice and lessons learned.

06: Criteria for selecting projects for funding

Successful schemes will have a focus on implementing the most effective and value for money solutions to reduce the landscape and visual impacts of National Grid’s existing electricity infrastructure in AONBs and National Parks.

The following questions will be used in judging applications and selecting projects for funding.

6.1 Landscape and visual criteria (these are the primary criteria)

- How effective is the project likely to be in reducing the impact of existing electricity transmission infrastructure on publicly-accessible viewpoints and the general visual resource experienced by local communities and/or by visitors to the area?
- How effective is the project likely to be in enhancing the landscape in the affected area (not related to specific groups of people or viewpoints) in ways that may reduce or compensate for the impact of relevant electricity transmission infrastructure?
- Is the project in keeping with the character of the landscape, helping to foster regional and local landscape diversity and distinctiveness (informed by Natural England's National Character Area profiles, LANDMAP information in Wales, and local landscape character and historic environment assessments that may be available)?
- Does the project support objectives set out in the AONB or National Park management plan for the area?

6.2 Other environmental criteria

- What other environmental benefits will the project bring through, for example, protecting or enhancing biodiversity and/or protecting or enhancing historic features?
- Has the project been designed to avoid adverse effects on environmental features such as wildlife sites and historic features?
- Applicants are expected to demonstrate that they have consulted the appropriate environmental and historic environment records and, where necessary, relevant advisors.
- Does the project give rise to other inadvertent environmental impact, for example through pollution or ground disturbance while works are carried out?
- Does the project require planning permission, protected species licencing, or other consent?

6.3 Social and economic criteria

- Does the project contribute to improving public access and enjoyment of the area?
- Does the project demonstrate a partnership approach and/or community involvement in its development, design and/or implementation?
- Does the project contribute to sustainable social and economic development in the area, for example through use of local suppliers of products, services and materials ensuring costs remain reasonable?
- Does the project contribute to education and development in the area including vocational and practical training that has the potential to improve the local skills base?

6.4 Practical project criteria

- Does the project have a clear and realistic set of objectives which will allow outcomes to be monitored and evaluated?
- Are the arrangements for providing match funding appropriate and deliverable?
- Are the proposed arrangements for delivering the project appropriate and robust and likely to lead to successful outcomes within the project programme?
- Are there realistic proposals for three-year maintenance and for ongoing management to ensure that benefits are fully realised?

- Are measures in place to ensure appropriate levels of monitoring and evaluation of outcomes?
- Does the project include measures to publicise it and its benefits throughout its lifecycle (alongside other VIP projects, if appropriate), and to ensure that wider learning for other areas can take place?

07: Operation of the scheme

The scheme is operated by National Grid, who have:

- Appointed a Grants Officer to handle grant applications and undertake the administration of the scheme. The grants officer is external to National Grid
- Supported the running of a small LEI panel as a subcommittee of the Stakeholder Advisory Group.
- Appointed a landscape assessor to the LEI panel.
- Published scheme literature (including project outcomes) and distributed it via the National Grid website and in the designated areas that are eligible.
- Reported to Ofgem through the annual Regulatory Reporting Process actual spend-to-date and forecast spend, scope and milestones for successful projects approved by the LEI panel.

The LEI panel:

- Is made up of an independent Chairperson (and a minimum of three and maximum of six statutory bodies (including the appointed landscape assessor)).
- Meets not less than twice per year to review applications to decide the level of funding, refer schemes back to the promoter for further work or refuse schemes for funding.
- Includes a Landscape Assessor who reviews applications received, makes a preliminary assessment of their merits against the scheme criteria in order to provide guidance to the LEI panel, liaises with applicants in the event that any applications are incomplete or inadequate in the information provided and provides constructive feedback to those who are unsuccessful.
- Where necessary, prescribes conditions to be attached either to the scheme or to the release of funds, and requires evidence of compliance with these conditions.
- Monitors the cumulative value of expenditure approved from the RIIO-T2 provision, as compared to the total allowance set aside by Ofgem.
- Through the appointed Landscape Assessor, encourages good quality applications resulting in good quality projects.
- Feedback from the panel and lessons learned by project applicants is collated and made readily available to future applicants.
- Promotes the scheme in conjunction with the AONBs and National Parks.
- Reserves the right to review the LEI at any time and refine or withdraw it in the light of early experience and/or as requested by Ofgem.
- Explores with the Stakeholder Advisory Group potential methods and mechanisms to enhance the scheme and the quality of submissions.

7.1 Application Process

The application process is set out on the flow chart in Appendix 2.

- There are two application windows within each year.
- Applications are submitted to the Grants Officer appointed, who administers the process and reviews the applications for further consideration by the Landscape Assessor and the LEI Panel at the meeting linked to each respective window.
- A standard application form is supplied by National Grid together with detailed guidance on completion and material to be provided.
- Applications need to be supported by maps at appropriate scale on an Ordnance Survey base and photographs, and must clearly demonstrate how the proposal meets the relevant criteria.
- Applicants are expected to show how they propose to demonstrate how funded projects achieve the intended outcomes against the relevant criteria over time, including the social and community benefits. This means having a plan for monitoring and evaluation of the project. [The detailed applications and assessment forms would include 'units' which can be reported back on, such as number of trees planted, lengths of paths, etc].
- Those receiving funds are required to share their experience with others throughout the community of eligible designated landscapes and to assist in the publicising and dissemination of experience and learnings from their projects.
- Payments from the initiative are only made to the AONB Partnership or National Park Authority that applies for the funding. It is up to the individual AONB Partnership and National Park Authority to distribute the funds to participating groups and keep track on how it is being spent.

Detail of the application process and guidance on how best to complete an application (including examples) are available on the LEI website.

7.2 Monitoring and progress updates to stakeholders

Monitoring forms will be provided to successfully funded applicants to allow for progress to be monitored. The information provided will be fed back to Ofgem, the LEI panel and Stakeholder Advisory Group when they meet, as well as being used to publicise successes more widely via the National Grid website and/or as part of annual reporting.

A1: List of applicable designated landscapes

AONBs with National Grid lines running through

Anglesey
Blackdown Hills
Cannock Chase
Chilterns
Clwydian Range and Dee Valley
Cornwall
Cotswolds
Cranborne Chase and West Wiltshire Downs
Dedham Vale
Dorset
Forest of Bowland
High Weald
Kent Downs
North Wessex Downs
Shropshire Hills
Solway Coast
Suffolk Coasts and Heaths
Tamar Valley
Wye Valley

National Parks with National Grid lines running through

Brecon Beacons
Lake District
New Forest
North York Moors
Peak District
Snowdonia
South Downs

Additional AONBs considered under the landscape and visual impact assessment

Howardian Hills

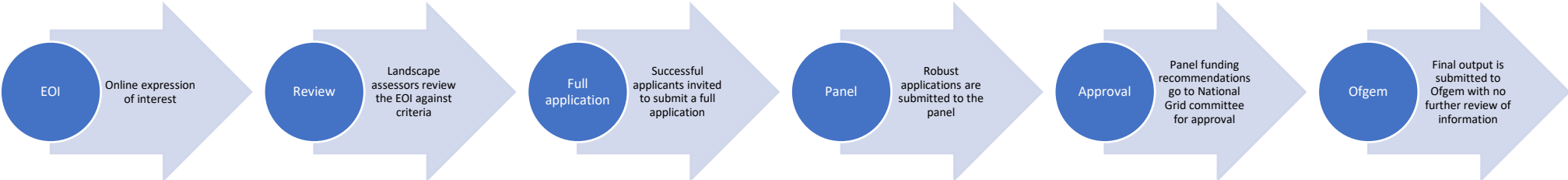
Quantock Hills

Additional National Parks considered under the landscape and visual impact assessment

Northumberland

Pembrokeshire

A2: Visual Impact Provision Landscape Enhancement Initiative application process





A3: VIP Landscape Enhancement Initiative regulatory treatment

As set out in the licence condition governing the Visual Impact Provision, National Grid will submit outputs (schemes) to Ofgem, reporting its expenditure under the allowance, for schemes that have been prioritised in accordance with the agreed VIP policy.

Each year National Grid will report to Ofgem, as part of the Regulatory Reporting Pack submission, the outputs that enhance the pre-existing infrastructure (EPI outputs) and the costs required to deliver these EPI outputs. Ofgem may require further information at this stage and may ask supplementary questions about the submission. These costs will be included in the annual process to set out how National Grid recovers its outlay.

Ofgem reserves the right to review these costs incurred to ensure that the cost has been economic and efficient and in the best long term interests of consumers.

For further information:

Visit our website at: nationalgrid.com/lei

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