

VIP Stakeholder Advisory Group
Minutes of the second meeting held on 24th/25th July 2014

Stakeholder Advisory Group members present:

- **Chairman** Chris Baines
- **Cadw** Ashley Batten, Senior Planning Archaeologist
- **Campaign for National Parks** Julian Woolford, Chief Executive
- **CPRE** Neil Sinden, Policy and Campaigns Director
- **CPRW** Peter Ogden, Director
- **English Heritage** Kezia Taylerson, Historic Environment Planning Adviser
- **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** Peter Currell, Living Landscapes Manager, South Downs National Park Authority
- **National Parks Wales** Jonathan Cawley, Director of Planning & Cultural Heritage, Snowdonia National Park
- **National Trust** Dr Ingrid Samuel, Historic Environment Director
- **Natural England** Liz Newton, Director, Landscape and Geodiversity
- **Natural Resources Wales** Keith Davies, Head of Strategic Planning Group
- **Ofgem** Dr Jeff Hardy, Senior Manager, Sustainable Development
- **Visit England** Phil Evans, Head of Policy & Analysis
- **Visit Wales** Jane Richardson, Head of Partnerships & Policy

Apologies:

- **The Ramblers** Tom Fewins, Policy & Advocacy Manager

Secretariat in attendance:

- **National Grid** – Hector Pearson, Planning Policy Manager and VIP Project Manager; Ian McKenna, Senior Policy Planner; Rod Richardson, Planning Development Engineer
- Professor Carys Swanwick, Independent Advisor to National Grid
- **Camargue** – Stuart Fox; Matt Sutton; Jane Dalton

The Stakeholder Advisory Group had met on the previous day/evening (24th July) to carry out a site visit to Legacy substation and a line of pylons running through the extended area of the Clwydian Range and Dee Valley AONB. The purpose of the meeting on 25th July was to:

- Develop a better understanding of the financial relationship between the regulator and National Grid, and the business cases for building overhead lines vs undergrounding.
- Better understand the different engineering options available under the VIP allowance.
- Determine how funding should be allocated to 'soft' engineering solutions.
- Hear updates on the work carried out to date on the landscape and visual impact assessment and on communications.

Session 1 – Presentation on financial aspects of RIIO price control

At the meeting on 1st/2nd April 2014 the Advisory Group requested a presentation on the financial aspects of the different engineering options that are available and how that relates to National Grid's profitability. Hector Pearson from National Grid gave a presentation which included: a high level overview of National Grid's historic and current relationship with the regulator Ofgem; the nature of National Grid's business structure/finances; an overview of the new RIIO (*Revenue = Incentives +*

Innovation + Outputs) price control framework; the deal negotiated with Ofgem last year for the 2013-2021 price period (of which the VIP project is part); and the output commitments and incentives/penalties included in the new regulatory framework.

1.1 – Changes to the regulatory relationship and framework

A key area of discussion focused on the changes to the relationship between National Grid and the regulator and the increase in the price control period from five years to eight which has allowed National Grid to make decisions with a much longer-term view. The introduction of RIIO is also influencing a different approach and a change of behaviours within National Grid (as well as other national network companies) which includes a much greater focus on the customer, improved stakeholder engagement and incentivising innovation. VIP is one of seven environmental output commitments within the new framework.

1.2 – Questions regarding National Grid's financial structure

There were a number of questions about the nature of National Grid's finances, including how infrastructure costs are funded and repaid, and how the amount of money that they can spend is determined. It was explained that approximately four per cent of consumer bills is for National Grid's transmission charge, and the cost of building new transmission lines is built into that figure. National Grid charges the distribution companies for the cost of infrastructure and they, in turn, build that into their consumers' bills. National Grid raises debt to pay for the outlay on projects which is re-paid over a 20-40 year period, making it a long-term investment.

1.3 – Financing of the VIP project

National Grid will not profit directly from the VIP project and the cost will be passed onto the consumer. There is, however, the potential for National Grid to make some money from the VIP project under the RIIO agreement with Ofgem via stakeholder incentives, as well as other incentives such as bringing down unit costs or identifying innovative ways of achieving the aims of the project.

The potential for tensions arising from bill payers paying for improvements that will only be seen within National Parks / AONBs was discussed. It was reiterated by a number of stakeholders present that a lot of research was carried out into willingness to pay, and the evidence showed that there was public support for spending money on protecting and enhancing protected places that are of benefit to the whole nation. A case had been made for £1.1 billion to be spent, and although the amount in the current price control period was ultimately negotiated to £500m for a variety of reasons, it was suggested that having the £1.1bn figure in mind is an important and useful argument for a future similar fund to be negotiated during the next price control period. The Advisory Group was clear that there is a solid body of evidence that justifies spending money on this project (a willingness among the public to pay), and it was also noted that this is a significant driver in ensuring that the money is well spent and that an important legacy is created.

The potential for lessons from this project to be applied to new infrastructure projects and refurbishment of existing lines was also discussed. It was agreed that the VIP initiative should aim to form a model for future best practice and effective regulator / business / stakeholder collaboration.

1.4 – Uncertainty mechanisms

It was explained that where there is uncertainty in a project, e.g. when it is not known how much of a new line will be underground or overhead, or when the costs and/or volumes for a project are unknown, 'uncertainty mechanisms' that operate on a unit cost basis are used. A nominal amount for undergrounding in relation to new major projects was included in the RIIO price control, but this is where the uncertainty principle kicks in i.e. if more or less money ends up needing to be spent on undergrounding than the nominal amount, then National Grid is able to use the uncertainty mechanism to recoup any additional spend. The amount of undergrounding, if any, for new projects is decided through the consultation, design and development consent (approval) process for that project.

VIP is subject to the uncertainty mechanism as both the cost and volume are currently unknown.

1.5 – Measurement of stakeholder satisfaction

In response to a question about how customer/stakeholder satisfaction surveys link into this, National Grid explained the role of its two other stakeholder panels (one each for gas and electricity). These groups are external bodies that have been set up to challenge and test National Grid's approach to stakeholders. The most recent feedback from the regulators and from the panels has shown that improvements have been made but unsurprisingly there is still more than can be done and a number of measures have been or are being implemented to further develop National Grid's approach towards engaging with stakeholders.

Session 2 – Presentations on the options available under the VIP allowance

2.1 – Hard engineering solutions

Rod Richardson from National Grid gave a presentation on the technology and engineering solutions that are available to reduce visual impact of transmission lines, with a particular focus on burying cables underground. The key topics covered included: the technical components and required separation between cables; requirements for armouring, insulation, joints, link pillars etc.; the nature/size of the construction swathe whilst the work is being carried out; and the need for termination compounds at both ends of the underground cables (which are in themselves significant structures).

It was also noted that there might be areas where undergrounding is desirable for visual reasons but cannot be done for technical reasons. There are also often environmental and other factors which may be adversely affected by undergrounding including for example issues relating to the existing ecology, archaeology and hydrology which may be damaged by the undergrounding process.

2.1.1 – Cost comparisons

In terms of construction costs it was noted that comparisons between projects are very difficult to make due to a variety of factors including landscape, geology, size/length of cable, rating etc. The factors that are involved in the operation of underground cables were also discussed including the higher costs of repair and maintenance, the difficulty of locating faults, longer outages when faults do develop and the incidence of faults caused by e.g. farmers or other workers accidentally digging through cables.

2.1.2 – Development of alternative pylon designs

The possibility of replacing existing pylons with alternative designs was discussed. It was explained that the 'T-Pylon' was the winner of a competition to look at alternative pylon design and that it can significantly reduce the height of a line from 45 – 50 metres to around 30 - 35 metres. It was, however, noted that T-Pylons are solid structures (2 – 4 metres across at the base) and, dependent on the setting, the conventional lattice steel version may still be more appropriate.

2.1.3 – Re-routing

The option of re-routing overhead transmission lines was discussed briefly, although it was noted that this is a complex solution that can cause impacts as it may move a line closer to dwellings and areas unaffected by the existing line.

2.2 – Soft engineering solutions

Professor Carys Swanwick gave a presentation on soft engineering solutions that could be considered, including e.g.:

- Painting pylons, although this is perhaps halfway between a hard and a soft solution.
- Tree planting and forms of screening to mitigate the visual impact at specific viewpoints by e.g. planting trees/hedgerows in the foreground to assist in screening long-distance views or by planting in the foreground to 'distract' from views of pylons on the skyline.
- Broader scale enhancements to the wider landscape to change the context of the landscape that the pylons are set within, or change the way that the pylons dominate the landscape.

It was emphasised that:

- Planting trees might not be appropriate in some landscapes (eg moorland or estuary), and that not all views can or should be screened (e.g. views of historic buildings).

- Trees cannot be planted above buried cables.
- Mitigation proposals need to fit within local planning policies, or strategic landscape objectives and guidance.
- The nearer the planting is to the visual receptor, in general the more effective it is – off-site landscape mitigation planting is likely to be most effective in mitigation of views within 600-1000m of the overhead line.

Other potential solutions were mentioned including bunding, earth moving, screening sub-stations and moving car parks. The concept of mitigating impacts by 'off-setting' was also discussed although it was acknowledged that this option is unlikely to fall within Ofgem's criteria for this project.

2.2.1 – Previous examples of mitigation work

Photographs were shown of examples of off-site mitigation work that was funded by National Grid during development of the Second Yorkshire Line 12 years ago. The overhead line is 71km in length and runs roughly between York and Middlesbrough. A sum of £1.25 million was invested at the time in work such as gapping up hedgerows, planting trees along fence lines, copse planting and orchard planting on private properties. The funding also included an allowance for ongoing maintenance over five years. It was emphasised that much of this work was carried out to mitigate the visual impact on individual landowners as opposed to the broader landscape and visual impact. The length of time for the benefits to be realised was highlighted, but it was also noted that the mitigation work was regarded as a good thing to have done.

2.2.2 – Painting pylons

The option of painting pylons so that they blend into the background was discussed, although the difficulties of finding solutions that are not dependent on the context and especially factors such as weather and light conditions were acknowledged. It was noted that some research into the efficacy of painting T-Pylons already exists and that quite a lot of work has been done in Europe and elsewhere in relation to painting and camouflage or 'disruptive patterning' of various structures. The Advisory Group discussed whether this option is worth pursuing, including finding out what has already been done in other countries and potentially investing in research to develop the concept further. The potential wider benefits of developing useful knowledge that might also relate to other structures such as wind turbines and buildings were also noted, and there was a reminder that this kind of work may fall under the remit of innovation in the RIIO pricing control framework.

Action:

- National Grid to investigate the work that has been done internally and elsewhere on innovative painting solutions and report back.

2.2.3 – Allocation of funding for soft engineering solutions

The principle of allocating a proportion of the VIP fund for soft-engineering options was discussed and a provisional amount of 5 per cent was suggested. There was broad agreement that allocating funds for this purpose would enable a significant amount to be achieved across all of the National Parks / AONBs. It was also suggested that it would demonstrate what could be achieved in the future, which could be a powerful argument for further funding from Ofgem in the next price control period.

It was confirmed that in the meetings National Grid and Camargue had with individual NPs/AONBs, there has been a lot of interest in the broader approach/smaller schemes and they therefore believe that allocating a proportion of the funds in this way would be viewed positively.

The need to consider provision for ongoing maintenance within this and future pricing periods, and the potential for providing support to communities to facilitate the process at a local level were discussed. A "Handbook of Good Practice Guidelines" was discussed to support future management and maintenance, which could also be an opportunity to leave a legacy from the VIP project, with wider benefits for landscape management. It was also suggested that the VIP funding could be linked/synchronised with the opportunities provided by other sources of match funding for similar or related projects.

2.2.4 – Process for bringing forward landscaping solutions

A discussion was held about the mechanism(s) by which soft-engineering options could be brought forward for consideration. It was agreed that it would not be feasible for this group to deal with the large number of applications that would potentially be submitted, and that instead the group should determine the overall criteria and the amount of funds to be allocated, and then hand the scheme over to local stakeholder groups to determine how to allocate the funding to individual projects on a local level.

The need for clarity about the criteria that would need to apply to applications was discussed and whilst it was reiterated that the landscape and visual impact criteria must lie at the heart of the process, it was also suggested that other factors such as providing longer-term value could also be considered. It was felt that it would be difficult to achieve a standard agreement across the whole of the country and the need to take locally important factors into consideration (e.g. social inclusion criteria) was also highlighted. There was a further suggestion that a specified zone of influence could be determined to limit consideration of proposals to within say 2km of a transmission line. It was noted that a number of schemes with similar approval mechanisms already exist and that there is a lot of knowledge in the group that can be drawn upon. There was also a reminder that the information from the landscape and visual impact assessment work would, to some extent, help identify potential projects. However local knowledge may assist in bringing forward schemes that might otherwise not be identified.

National Grid and Ofgem highlighted a number of issues that would need to be fleshed out in more detail before approval could be given for a proportion of the funding to be used in this way, including the need for a mechanism by which National Grid would be able to reclaim the funding, the importance of a rigorous process (or processes) for allocating spending, and further discussion about the level of scrutiny that Ofgem would want to apply to smaller projects. The Heritage Lottery Fund Landscape partnership programme was mentioned as providing a relevant parallel that might provide experience worth examining.

It was agreed that the Advisory Group should put forward a proposal for further consideration by Ofgem and National Grid. A sub-group of members who have experience of this kind of scheme will meet to do some more detailed work on the mechanism(s) that might be used for putting forward and approving projects, and develop a proposed recommendation in advance of the next meeting. It was proposed that this sub-group should comprise the National Association of AONBs, National Parks England, National Parks Wales, Natural England and Natural Resources Wales, as well as representatives from the National Grid VIP team.

2.2.5 – Potential concerns about losing out in future funding rounds

Concerns were expressed about the potential for National Parks/AONBs to be reluctant to put forward soft-engineering projects if they feel that it might impact on the likelihood of a more major VIP project being approved in their area in the future. Whilst it was felt that this should not be a determining factor, it was agreed that any potential for concerns should be managed as part of the communications process.

2.2.6 – Allocation of funding to Scotland

Concerns were raised about what would happen if a proportion of the fund is ring-fenced for smaller projects in England and Wales and the Scottish transmission network owners then decide to become involved in the process. It was suggested that Scotland is more likely to want to be included in a process for allocating funding for smaller projects as it would be much easier than having to set up a similar mechanism to this Advisory Group for putting forward larger projects for consideration at this stage of the process.

Actions:

- **National Grid/Camargue** – Contact relevant Advisory Group members regarding membership of the sub-group and arrange a meeting date, with Chester the likely venue.
- **National Parks England / National Parks Wales / National Association of AONBs / Chris Baines, Professor Carys Swanwick and any others with relevant experience** – Share information about the processes involved in current project approval schemes, including critiques/lessons learned.

Session 3 – Update on the draft landscape and visual assessment

Carys Swanwick presented an update on the work that has been carried out to date on the landscape and visual impact assessment, including the method of assessment (as presented at the last meeting), issues that have arisen so far, a sample output report, actions arising from consideration of requests for inclusion of adjacent lines and an overview of the way that information will be presented to the Advisory Group in preparation for the next meeting in October.

All of the fieldwork has now been completed. For the overall ranking and prioritisation, a spreadsheet will now be prepared with scores for each sub-section for each designated area added up to give visual and landscape scores, plus an overall score for that area. A meeting is being held in August with the consultants that have carried out the assessments to compare scores, further examine consistency and discuss the relative merits of each case.

3.1 – Consideration of transmission lines that are adjacent to National Park/AONB boundaries

At the 2nd April Advisory Group meeting it was agreed that National Parks and AONBs should be contacted to ask if they wished to submit any cases for inclusion of transmission lines that lie outside the boundary but are in the setting of a designated area. Three additional cases were submitted (Northumbria, the Howardian Hills and Pembrokeshire), and a fourth request has since been received for a line in the Quantocks. These will be examined by the consultants in early September. A number of other cases had been submitted for lines that were already scheduled to be included in the landscape assessment and any information provided had been forwarded to the relevant consultants.

3.2 – Reporting

It was noted that there will be a huge amount of information in all of the individual reports, and a discussion was held about the level of information that is required for the overall report, including who the report is aimed at, how much detail is required, and how access to the detailed supporting outputs should be provided.

There were some concerns about how the rankings might be perceived, especially if they are not ultimately reflected in the sites that are put forward for more detailed consideration after the stakeholder group have considered them. There were reminders that this is purely a first stage assessment that is designed to provide consistent information on where the greatest visual/landscape impacts are, and that it does not give any information about solutions, technical feasibility or other factors such as archaeology, sensitive ecology or hydrology and the adequacy of the fund etc. It was suggested that the report should be clearly set out as being a purely technical report about the landscape and visual assessment, with a preface to state that it is just one piece of evidence to aid further deliberations and that a lot of technical work and other assessments will be needed before any final decisions can be made. It was also suggested that the report should be very clear about the criteria and the scoring methodology that had been used.

Action:

- **Camargue** to address these issues in the updated communications plan.

3.3 – Consultation/communication with the relevant National Parks/AONBs

A discussion was held about the extent to which the relevant National Parks/AONBs should be given the opportunity to view and/or comment on the individual reports for their areas. Camargue reiterated that their intention is to work with the National Parks/AONBs regarding lead times for the release of information, contacting stakeholders, broader communications and managing expectations etc. It was suggested that members of the Advisory Group could play a useful role in anticipating issues, problems and arguments that are likely to arise, so that these can be factored into the planned communications.

Action:

- **Camargue** to address these issues in the updated communications plan.

- **All** to consider potential issues, problems and arguments that are likely to arise and notify the VIP project team.

3.4 – Consideration of other things that might have a visual impact

There was a discussion about the extent to which the scoring/ranking process that has been used takes account of the existence of other ‘human’ structures that might also have a visual impact, and a discussion was held about how other things (e.g. 132kV lines, wind turbines and planned infrastructure such as new roads or buildings) that might have a cumulative or residual impact should be considered as part of the Advisory Group’s assessment process.

Comparisons were made with existing schemes with the distribution network operators (DNOs) where landscape scores are reduced if something (e.g. a 132kV line or other intrusive infrastructure not related to the transmission network) would be left that has a visual impact. National Grid confirmed that the DNOs have not yet been involved in this process, and acknowledged that some of the potential VIP solutions might only work if another existing line is addressed at the same time. Where this is the case the DNOs would be approached to explore whether there are any plans for dealing with the line or whether something could be done jointly. It was also noted that the managers of the individual National Parks/AONBs would need to be relied on for knowledge of local development plans and other such factors which might influence the context of individual line sections.

3.5 – Next meeting

A discussion was held about whether the output of the next meeting will be the production of a short-list of major projects to be put forward for more detailed consideration, or whether the meeting would need to be used to clearly identify what is known and what else needs to be investigated for a ‘longer’ short-list of projects. For the former to be achieved it was suggested that a pro-forma that includes aspects such as ranking criteria, length of lines, cultural aspects and other factors would need to be pulled together in advance.

There was a further suggestion that legacy opportunities and influencing best practice in the future should be included as part of the criteria as these form part of the wider benefits that could come out of this project.

It was suggested that a one-page document should be produced summarising the above and the attached timings to ensure that everybody in the Advisory Group is clear about the process and that there is consistency in the messages that are communicated.

Actions:

- **National Grid/Camargue** – Produce a one-page document summarising the process for prioritisation and the associated timings.

Session 4 – Update on communications and engagement

Stuart Fox from Camargue PR gave a brief update on what has been done so far in relation to communications and engagement. To date this has largely focused on talking to the chief executives of the National Parks and AONBs about the VIP project. The feedback to date from these meetings has primarily been on the need to keep the various authorities alongside by working with them to help filter out and communicate the benefits to their stakeholders. As part of this, Camargue has started to build very good relationships with various communication teams from among the stakeholder organisations.

In addition to the above:

- A number of presentations at conferences have been given/are planned (including the AONB Landscapes for Life conference in June and the National Parks Society Conference in October).
- The project website is to be re-developed and made more accessible and interactive.
- A draft publication explaining the VIP project has been produced [copies circulated to attendees at the meeting].
- Chris Baines and Hector Pearson have met with the founders of ‘Place’ who were heavily involved in the early lobbying of National Grid and Ofgem about the removal of pylons in special landscapes.

The next stage in the process will be the production of an updated communications plan which will include an update on how the softer solutions will be managed. Advisory Group members were encouraged to contact Camargue if they need anything for their own publications or would like a presentation at their conferences/meetings, to contribute to the blog on the National Grid website, and to provide feedback on any other people/groups that need to be added to the wider list of stakeholders.

Date of next meeting

The next meeting will be held on 29th/30th October at a venue in Cheltenham and will include a site visit in the Cotswolds AONB.
