



National Parks England Response to Ofgem RIIO-2 Sector Specific Methodology Consultation

12th March 2019

Introduction

1. National Parks England (NPE) welcomes the opportunity to provide input on this consultation. We support the policy-making process by co-ordinating the views of the nine English National Park Authorities and the Broads Authority (hereafter referred to together as NPAs). NPE is governed by the Chairs of the ten Authorities, and our response represents the collective view of officers who are working within the policies established by the NPAs and follows internal consultation amongst officers. As Authorities we have a significant role as place shapers, working alongside our rural communities, and we are happy to provide additional information as necessary.

Summary

2. **Conserving and Enhancing Natural Beauty:** National Parks are recognised as landscapes with exceptional natural beauty and high environmental value, and have statutory purposes to conserve and enhance natural beauty, wildlife and cultural heritage and to promote opportunities for public understanding and enjoyment of their special qualities.¹ The Visual Impact Provision (VIP), and the Landscape Enhancement Initiative (LEI) in particular, have made a substantial positive impact with regards to conserving and enhancing natural beauty and if adequately resourced they have the potential to provide even greater benefits.
3. **Improving the Application and Approval Process:** We support the proposed modifications to the application and approval process, and believe that with appropriate streamlining uptake of the LEI fund could increase substantially. To further improve uptake, it would be beneficial for the LEI to fund the preparation stage of the applications, as happens with other funding bodies such as the National Lottery Heritage Fund. This would help the resourcing of officer time at the National Parks, who are the main contributors to the application process even when working with partner organisations.

¹ Source: [English national parks and the broads: UK government vision and circular 2010](#)

4. **Opportunities to Increase the Impact of the LEI:** We support the proposal to allow for more than three projects at a time in National Parks. This could further support uptake of the LEI fund. We also recommend a widening of the area that can be taken into consideration with regards to the visual impact of pre-existing transmission infrastructure, to include lands in the setting of National Parks. Infrastructure within the viewsheds of National Parks can have negative impacts on the landscape character and natural beauty of the National Park.

Responses to Consultation Questions

5. **ETQ45:** We welcome views on incentivising the Transmission Operators' (TO) engagement with stakeholders on the development of new transmission projects through our stakeholder engagement proposals, for example through the use of a survey.
 - a. This refers to new build infrastructure and it is agreed that a survey could be used to cover stakeholders' satisfaction with TO on new projects covering engagement opportunities, quality of information about a project and transparency of TO decision making.
6. **ETQ46:** Do you have views on retaining the existing scheme to mitigate the visual impact of pre-existing transmission infrastructure in designated areas? Do you agree that any decision to implement new funding arrangements should be subject to updated analysis around willingness to pay?
 - a. The existing VIP project and in particular, the LEI, is making improvements to landscape character and natural beauty in National Parks and has the potential to make many more and on a greater scale. The projects are a welcome initiative and represent substantial investment in the first purpose of all UK National Parks, that is to conserve and enhance their natural beauty, wildlife and cultural heritage. To retain the existing scheme would build on the work already undertaken and lead to important mitigation of the visual impact of pre-existing transmission infrastructure over a wider range of projects in National Parks. National Park management plans place emphasis on reducing visual impact on and harm to natural beauty and this is supported by both individual National Park Planning Policies and by the Government's National Planning Policy Framework. The Government's 25 Year Environment Plan, specifically Chapter 2.2 – Conserving and Enhancing Natural Beauty also refers to protecting the landscape of National Parks. Common to all entities that can affect National Parks' purposes, Ofgem has a duty of regard to those purposes under Section 62 of the Environment Act 1995. Within Ofgem's own corporate strategy, reference is made to having regard to effects on the environment and contributing to sustainable development amongst their statutory duties². The protection of National Parks' natural beauty is set at the highest bar and the opportunity that the VIP project gives for enhancing natural beauty by the

² Source: [Ofgem: Our Strategy \(pg. 4\)](#)

removal and mitigation of the transmission infrastructure is of great importance.

- b. To maintain the transparency which has led the current VIP project and LEI process it would seem sensible to update analysis around willingness to pay from consumers. As this formed part of the genesis for the project this would be a logical step.
 - c. With potential undergrounding projects there is a long lead in time which may span more than one price control period. If the VIP project were to be extended into a second price control period there would be greater flexibility to allow potentially complex projects to proceed to completion over a longer time frame.
7. **ETQ47:** Do you agree with our proposals to modify the implementation process by which funding requests for mitigation projects are submitted and approved?
- a. The proposed modification of the LEI application and approval process is supported. National Parks have made considerable internal efforts to increase uptake of the Landscape Enhancement Initiative funding, contacting partner organisations, local environmental organisations, private landowners and Parishes that own land within their boundaries to suggest that the landscape could be improved where impacted by the transmission infrastructure. The applications for funding have been written into National Parks' Business and Management Plans and have also gone through internal approval processes from National Park Members to allocate sufficient resources to work with local landowners and complete the applications. These internal processes take time and do create lead in times up to the point of application which can affect the speed of take up of the LEI fund.
 - b. Further to this, National Parks that have applied for LEI funding have met with seasonal project timing and match funding challenges due to the length of time between submission of full applications and the final award of the funding. If this part of the application can be shortened this will benefit the planning of resources of both the National Park concerned and their partner organisation and/or landowner. The proposal that TOs work with National Parks throughout the LEI application process, with Ofgem only being involved at the very end of the process with the statutory licence advertising period (4 weeks), is welcomed as this will help speed up the application process and give more certainty as to when funding will be available.
 - c. The proposal to allow more than 3 projects at any one time in each of the National Parks, still within the potential £600,000 total funding (3 x £200,000 maximum contribution) would help National Parks put forward more projects which would in turn increase the amount of funding applied for.

- d. The setting of an expenditure cap to 2.5% of the £500 million budget for the VIP project would lead to £12.5 million for the LEI fund in the second price control period. This is substantially less than the £24 million currently available. It is known that take up of the LEI fund so far has not been as high as was hoped for, but with the streamlining of the process and also the fund becoming better known across the protected landscape family, there is potential for increasing the take up of the fund.
8. **ETQ48:** We welcome stakeholders' views on any other considerations they think are relevant to policy development for visual amenity issues in RIIO-ET2.
- a. It could be very fruitful for the LEI to fund the preparation stage of the applications, as happens with other funding bodies such as the National Lottery Heritage Fund. This would help the resourcing of officer time at the National Parks, who are the main contributors to the application process even when working with partner organisations. Considerable resources go into the production of an LEI application and at a time when National Park funding has been cut by 40% since 2010, it would considerably help the National Parks resource the time spent on the applications.
 - b. It is felt that there is scope to widen the area that can be taken into consideration for the visual impact of pre-existing transmission infrastructure within the setting of National Park boundaries. This could apply to potential undergrounding and the LEI fund if the visual impact of infrastructure in the setting of a National Park boundary can be proved to have a sufficiently negative impact on the landscape character and natural beauty of the National Park. The assessment could take the form of a one off, site specific, Landscape Visual Impact Assessment carried out by an independent landscape consultant that would be examined by the VIP Stakeholder Advisory Group for its veracity and appropriateness.
 - c. Although not directly related to the VIP project, the English National Parks highly value the relationship that they have with local electricity distributor networks and the undergrounding of the lower voltage electricity network. This has proved to be a fruitful relationship that has and continues to have direct benefits to the landscape of the National Parks. It is hoped that Ofgem will continue to support this work of the local distributor networks.

For Further Information:

Cameron Witten
Head of Policy
National Parks England
020 3096 7979
enquiries@nationalparksengland.org.uk

NPE
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