

**NORTH WEST COAST CONNECTIONS – NATIONAL GRID PROPSALS TO PROVIDE POWER LINE CONNECTIONS TO NUCLEAR NEW BUILD FACILITIES IN COPELAND – PROPOSED PLANNING PERFORMANCE AGREEMENT (PPA) AND PROJECT GOVERNANCE ARRANGEMENTS**

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**WHAT BENEFITS WILL THESE PROPOSALS BRING TO COPELAND RESIDENTS**

The implementation of the grid connections and provision of power lines is fundamental to the development of new nuclear power stations in Copeland Borough and will therefore support the provision of new employment opportunities for Copeland communities.

**WHY HAS THIS REPORT COME TO THE EXECUTIVE?  
(e.g. Key Decision, Policy recommendation for Full Council, at request of Council, etc.)**

This report requires a key decision

**RECOMMENDATION:**

- 1 .That Executive note the recent progress made in discussions with National Grid
2. That Executive support the proposal that Copeland Borough Council become signatory to the Planning Performance Agreement between local authorities across Cumbria and Lancashire and National Grid and that authority to sign the Agreement is delegated to the Corporate Director People and Places in consultation with the portfolio holder.
3. That Executive supports the proposed governance arrangements for the project and the nomination of the Leader of the Council (portfolio holder for strategic nuclear issues) as the Member representative to attend the Project Board meetings

## **1. INTRODUCTION/BACKGROUND**

**1.1** In Dec 2010 Executive received a report which highlighted the background to National Grid's North West Coast Connections project. The project aims to distribute power generated at the proposed new nuclear power station facilities to be constructed on a site adjoining the current Sellafield site to the wider UK energy market via the provision of new and/or upgraded transmission cables. Subject to the outcome of an assessment of route options the project could impact on local authorities across Lancashire and Cumbria, including the National Park Authority. The report in December also supported proposals for the joint working arrangements across the two counties, with Cumbria County Council acting as accountable body for the project. The report described the arrangements for considering applications for development consent for such a proposal and noted the significant resource implications for those local planning authorities through which the route might pass. The report noted that National Grid have already confirmed their in principle commitment to providing adequate resources to local authorities through a formal Planning Performance Agreement (PPA).

**1.2** The purpose of this report is to seek Executive support to the Borough Council becoming a signatory to the PPA and to the proposed detailed project governance arrangements, including the nomination of the portfolio holder for strategic nuclear issues as the Member representative on the Strategic Project Board.

## **2. NORTH WEST COAST CONNECTIONS – PROJECT UPDATE**

**2.1** The local authorities and the National Grid are agreed that a Planning Performance Agreement (PPA) for the North West Coast Connection Project is needed. It will operate under the terms of national guidance for such agreements and will provide adequate funding for the local authorities and the National Park Authority to participate effectively in the process. Cumbria County Council will act as accountable body.

**2.2** The PPA is a means by which local planning authorities in Cumbria and Lancashire affected by the proposals of National Grid can participate and engage in a positive way with the developer and reach a fully informed view on the local impacts of the proposals. A PPA does not fetter the participating Authorities in the view they take on the merits of a proposal. It does allow them however to be properly resourced to ensure the views and concerns of local communities are given voice within the planning process which is essential given that the ultimate decision on the Grid's proposal will be made at a national level.

**2.3** The local authorities at County and District level in Cumbria and Lancashire, together with LDNPA, have agreed that the North West Coast Connections Project (and the future energy related projects that are dependent on it are of major strategic interest of a cross-boundary nature. They have concluded that there are significant benefits in terms of avoiding duplication, sharing resources and maximising efficiency if they work together as a single consortium or partnership on this project.

**2.4** While working together as a single consortium this will not constrain individual local authority partners, or the National Park Authority, from making their own decisions on behalf of their communities. Using the evidence and information gathered from the PPA work packages local authorities will be able to determine for themselves what the likely local impacts of the proposals will be and accordingly submit their own local impact statements to the Planning Inspectorate. The role of the consortium therefore is to manage the project planning process, the preparation of pre application guidance, the analysis of the National Grid's Statement of Community Consultation and prepare on behalf of the local authorities and LDNPA draft Local Impact Statements for each of the administrative areas (with final approval of these resting with the local authorities and LDNPA themselves) based on the evidence and analysis that comes out of various packages of work.

**2.5** These work packages are significant. They will be the means by which the consortium is able to undertake the evaluation of the grid strengthening proposal's impacts on local communities and their localities. The work packages are subject of on-going discussion between the consortium's negotiating team and National Grid and, once agreed, will form the basis on which the PPA is signed. The work packages will enable the authorities' own officers to inform their respective decision making bodies and to make representations to the Infrastructure Planning Commission, avoiding considerable duplication of effort in the process.

## **2.6 Managing the PPA Project**

**2.6.1** In putting such an arrangement into effect and to provide National Grid with a meaningful and manageable interface with the local authorities it has been agreed that a single project team will be assembled and managed by Cumbria County Council. National Grid will therefore engage with the team rather than with the multiplicity of local authorities concerned.

**2.6.2** This project team will have the ability to procure specialist consultancy services on behalf of the consortium as required by the project. It will have access to legal and finance support from the County Council and specialist services from other local authorities within the consortium as agreed/required. It will be hosted by Cumbria County Council as the lead authority and accountable body. The local authorities costs in respect of its staffing and resource contributions will be recoverable through the PPA.

**2.6.3** It is now proposed that a co-ordinating group, or Strategic Project Board, be established. This Board would have both Members and officers on it. The purpose of the Board would be to oversee the Project, and provide a steer or guidance to the project team on matters likely to impact on the project's progress. It will enable members and officers to come together from time to time to discuss common issues and share experience. It will not be a decision making body.

**2.6.4** The project team, will deal with all interactions and interfaces between the project and third parties, including statutory consultees, on behalf of the consortium. It will be responsible for business negotiations with the National Grid team to secure the required funding, efficient payment of invoices, and to handle disputes. It will also manage relationships within the consortium, ensuring outcomes dependent on authorities' input are delivered to time and to specification and ensuring that local authorities supply accurate information in relation to all expenditures pertinent to and legitimate within the scope of the project.

## **2.7 Governance Arrangements**

**2.7.1** It is important to consider the LAs engagement in the PPA as a Partnership arrangement. The Partners will need to keep themselves suitably informed and involved but it will be a matter for them, depending on the extent to which the eventual proposal impacts on their areas, as to how engaged they consider it necessary to be. To support the Partnership the intention is to develop a Project Reference Group to which all Authorities would be invited and at which they would receive updates and be given opportunities to discuss issues and opportunities arising from the Project.

**2.7.2** Given the Project Reference Group would be largely in place to keep local authorities sufficiently informed about progress and to take part in discussions around emerging issues at the appropriate time there is a need for a structure that will allow for the more detailed management of the project to be overseen.

**2.7.3** The proposed Strategic Project Board model (see Appendix 1) would provide seats for elected representatives with high level officer support from Councils from within Cumbria and Lancashire and the LDNPA. It would be appropriate however to provide a means by which any participating Authority that feels it ought to have a place on the Strategic Project Board to be allowed to join. This would mean that the membership of the Board would have a tighter membership than the reference group but operate on the principle of inclusivity, allowing others to join when needed. It is assumed however that most Authorities are likely to be content to participate in the Project through attending the reference group.

**2.7.4** Members' roles in the context of the PPA as a Project would need to be distinct from the role of Members involved in the planning process itself. It should be emphasised that the Board would have responsibility only for oversight of the PPA project. Issues relating to how the scheme proposals impact on local communities and their landscapes would be a matter for individual local authorities operating in their normal role as autonomous local planning authorities.

## **2.8 Governance Principles**

**2.8.1** The consortium will wish to ensure the highest levels of probity throughout the project. It will wish to address the obvious potential for challenge and criticism by third parties that its work has been influenced by the developer and the funding arrangements.

**2.8.2** The PPA will clearly document that the work is being funded to ensure that the local authorities and the LDNPA are not disadvantaged in their capacity to scrutinise and evaluate the proposals or in their ability to make representations on the project on behalf of their communities because of a lack of resources. The PPA document will make it clear that the agreement links to the principles for such arrangements set out in national policy along with a statement that the agreement does not fetter the right of any partner in the consortium to reach their own conclusions.

**2.8.3** Individual local authorities and the LDNPA will need to make their own arrangements to prepare for the acceptance of summary reports on the adequacy of community involvement and Local Impact Statements. It will be for the authorities themselves to decide what the appropriate decision making channels for considering these documents are. The Strategic Project Board will need to be informed of the outcomes of local decision making not least to consider what the implications might be if different members of the consortium take different or opposing views on the project.

**2.8.4** It should be remembered that the purpose of the consortium approach is simply to enable local authorities and LDNPA to share resources and avoid duplication in what will be a complex, time consuming and lengthy process. The approach will help to avoid duplication of effort and maximise access to scarce resources. The process of making submissions on local impacts to the Planning Inspectorate once the National Grid's application for development consent has been submitted will remain a matter for individual authorities. It will be at this point that the Council can make its views known on the proposals which would be formally submitted to the Planning Inspectorate.

**2.8.5** Whilst there is still much to do to get to the point of finalising a preferred route and scheme, National Grid are indicating that they will be submitting an application for development consent to the IPC or its successor body in 2014/2015 for the upgrade to the grid lines, although these dates may well be subject to change.

## **2.9 Planning performance agreement - principles**

**2.9.1** The main points emerging from the draft heads of terms which will be used to base the agreement on are as follows:

(a) in terms of impartiality the agreement will be 'a statement of intention of good faith' subject at all times to each Council's statutory functions and obligations. Nothing shall be taken to predetermine or prejudice the proper consideration and determination of any consent or application or override or fetter the statutory powers duties or responsibilities of any of the Councils;

- (b) any party can withdraw from the agreement at any time;
- (c) each party will commit resources to ensure that the objectives of the agreement are achieved, that applications are processed timely and that meaningful feedback is provided in respect of the application process;
- (d) each of the participating Councils agree to carry out various duties including working with community and statutory agencies to assess the adequacy of National Grid's statement of community consultation; to support communities so that they understand how and when to engage in the process; and to provide a challenging and constructive input into pre-application discussions, any screening and scoping reports and Government consultations;
- (e) sets out charging principles upon which the Councils will be paid;
- (f) sets out the framework upon which the Strategic Project Board will be established, allows for the establishment of Task Teams and deals with how Work Packages will be delivered; and
- (g) requires National Grid to pay the Council's costs, to carry out public and statutory consultations, support the main planning application in accordance with agreed timescales and generally to provide robust project management of all relevant application processes.

### **3. CONCLUSIONS**

**3.1** The North West Coast Connections project is a major infrastructure project for Copeland, Cumbria and Lancashire communities, which supports the development of national and local energy related aspirations. The potential impact of the project is immense and the resource implications for local authorities extensive.

The governance arrangements for the PPA between Lancashire and Cumbria local authorities and the LDNPA are fundamental to ensuring effective project management of a complex project. The proposals outlined within this report show how the project management and governance arrangements would operate in practice.

It is important to distinguish within the project between decisions relating to the Project that must be taken by the consortium's governance arrangements and those that relate to impacts on communities and localities where decision making resides with individual, autonomous local planning authorities and National Park Authority. These important distinctions are recognised within the proposed governance model.

**3.2** The project will rely on officer led project management arrangements to ensure effective delivery. The role for members outlined in this report is to receive information relating to progress of the Project and, through the Strategic Project Board, provide a steer on issues that may have implications for local authorities' internal decision making processes.

#### **4. WHAT ARE THE LEGAL, FINANCIAL AND HUMAN RESOURCES IMPLICATIONS?**

4.1 There are significant resource implications for the Council which will be resourced through the Planning Performance Agreement (PPA) with National Grid. A draft agreement has been received in this matter from the National Grid's solicitors and negotiations to finalise the agreement through lawyers at the County Council are well advanced. It resembles closely the agreement used for the Hinckley Connection Project in the south west of England. Once agreed local authority partners will be in a position to draw down funds to cover the costs of officer time utilized in responding to the project proposal.

#### **5. HOW WILL THE PROPOSALS BE PROJECT MANAGED AND HOW ARE THE RISKS GOING TO BE MANAGED?**

5.1 Copeland Borough Council input to the proposals is currently being led by the Corporate Director People and Places with support from the planning policy and nuclear teams. Project management arrangements including the development of a project risk register will be delivered by the project team and reported to the Strategic Project Board.

#### **6. WHAT MEASURABLE OUTCOMES OR OUTPUTS WILL ARISE FROM THIS REPORT?**

6.1 The preparation of an agreed PPA and an application for development consent to the IPC or successor body for the project.

#### **7. STATUTORY OFFICER COMMENTS**

7.1 The Monitoring Officer's comments are: the governance proposals in the report protect the Council's position and separate differing Member roles appropriately.

7.2 The Section 151 Officer's comments are: The PPA should cover any additional costs incurred by the Council incurred on this project. There should be processes established to ensure that all costs (including officer time) are fully recorded and recovered.

7.3 EIA Comments

There are no immediate equality impacts emanating from this proposal, however in the long term the impact of the National Grid proposals on specific groups and communities will need to be assessed as part of the Local Impact Report, prepared through the application of the development consent process.

7.4 Other consultee comments, if any:

**List of Appendices**

Appendix 1 – North West Coast Connections Project – Proposed Governance Arrangements

**List of Background Documents:**

Report to Executive Dec 2011

# Appendix 1 North West Coast Connection Project – Proposed Governance Structure

