

NORTH WEST COAST CONNECTIONS – NATIONAL GRID PROPSALS TO PROVIDE POWER LINE CONNECTIONS TO NUCLEAR NEW BUILD FACILITIES IN COPELAND

EXECUTIVE MEMBER: Councillor Elaine Woodburn
LEAD OFFICER: Steve Smith
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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?
(eg Key Decision, Policy recommendation for Full Council, at request of Council,etc.)

This report requires a key decision No

RECOMMENDATION:

- 1 .That Executive note the recent progress made in discussions with National Grid
2. That Executive support the proposal that Cumbria County Council act as accountable body for the North West Coast Connections project and the Planning Performance Agreement (PPA) between Cumbria and Lancashire local authorities
3. That Executive supports the principle of the Council being a signatory/party to a Planning Performance Agreement with National Grid
4. 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
5. That Executive welcomes the offer from National Grid to present their initial proposals to all Members of the Council at a date to be determined.

1. INTRODUCTION/BACKGROUND

1.1 Executive will be aware that officers from Copeland Borough Council are leading a County-wide Nuclear New Build Spatial Planning Group looking at the planning and infrastructure implications of potential nuclear new build proposals In West Cumbria. As well as the potential development of the site adjoining the current Sellafield site for a new nuclear power station and the infrastructure implications of the development, the remit of the Group has extended to include the consideration of the implications of the upgrading of power lines to transmit energy from both new nuclear facilities and the wider energy potential of schemes in the Energy Coast Master-plan. The provision of the power lines from Harker to Heysham also has an impact on local authorities across Lancashire and officer representatives from Lancashire County Council and Lancaster City Council have also been invited to attend the Group.

1.2 The purpose of this report is to seek Executive agreement to the joint working arrangements with Cumbria and Lancashire County and District Councils

2. NORTH WEST COAST CONNECTIONS

2.1 The consortium to take forward the development of the site adjoining the current Sellafield site for a new nuclear power station has been formed and is starting to shape its plans for the site. In time an application for development consent will be submitted to the Infrastructure Planning Commission (IPC), which was set up by the former Government to consider applications for nationally significant infrastructure projects (NSIPs) in an attempt to speed up the decision making process for major infrastructure projects. The new coalition government has already announced its intention to bring forward legislation to abolish the IPC but intends to retain the process for considering applications for development consent through a major projects unit of the Planning Inspectorate with final decisions on major projects to be made by Ministers. In addition the proposal from National Grid to upgrade the power connections to West Cumbria to the grid will also form the subject of an application for development consent to the IPC or its successor body in the Planning Inspectorate. This project is to be known as the 'North West Coast Connections'.

2.2 The creation of the IPC had meant that local authorities would no longer handle planning applications for these projects. Whilst this principle is retained in the new arrangements, in practice there remains a considerable role for local authorities in preparing for the submission of such schemes for which no planning fees are paid to the local authorities concerned.

2.3 The planning policy context for the consideration of applications for development consent for nationally significant energy infrastructure projects is set out in the draft National Policy Statements for Energy that are currently the focus of a second round of consultation by Government until 24th Jan in the new year. It is envisaged that these policy documents will be ratified by Government in Spring next year and will thus form

the advice against which the IPC will need to consider applications for development consent for energy projects.

2.4 The revised draft policy statements have included reference to nuclear new build opportunities in the North West at Sellafield and Heysham, To facilitate these, and significant new offshore wind farm developments in the Irish Sea, the national grid throughout Cumbria and Lancashire requires a fundamental upgrade to link the new generation capacity into the national grid itself. Miles of existing distribution line will have to be replaced by larger transmission lines as the national grid network itself extends from the central areas of the country outwards towards the coast. An extensive period of community consultation will be required as part of the process to determine the most appropriate route for the transmission lines.

2.5 What this means is that local authorities like Copeland Borough Council will have to consider how they are going to resource their involvement with major infrastructure projects. These will be very time consuming and intensive areas of work and likely to be in train for the next 3–4 years. Work has commenced already with informal fact finding workshops held by National Grid PLC with both the Cumbrian and Lancashire Local Authorities to examine the main issues which will arise with the national grid upgrade. These work packages have already demonstrated how much time and expertise will be needed to be devoted by local authorities to ensure that the Infrastructure Planning Commission process goes smoothly. At a recent seminar for nuclear new build local authorities, Sir Michael Pitt, Chief Executive of the Commission made it clear that the local authorities role is of vital importance to the process, and without their active engagement, major schemes would be unlikely to progress effectively. However, he was also categoric that these projects should not place an additional burden on local authorities.

3. WAY FORWARD

3.1 Sites included in the National Policy Statement for Nuclear as potential sites for new nuclear power stations are intended to come on stream to generate power by the latest 2025. Latest information from the consortium for the site adjoining the Sellafield site is that an application for development consent will be made in late 2014. National Grid are indicating that they would be submitting an application in 2014/2015 for the upgrade to the grid lines, although these dates may well be subject to change.

3.2 Informal discussions have been held with National Grid in an attempt to determine appropriate ways of working. It is clear from experiences in Somerset around Hinckley Point that the local authority workload will be substantial, particularly around the areas of the Statement of Community Consultation, Environmental Impact Assessments and Local Impact Reports. There is a need to establish work streams, governance arrangements and resources to deal with the project. Government guidance to local authorities emphasises the need for them to be able to continue to deal with normal business in addition to handling these unusually large infrastructure cases. For this

reason the use of Planning Performance Agreements to secure funding (in the absence of planning fees) to pay for additional resources to handle these cases, is advocated.

3.3 It should be emphasised that requiring the developer to provide funding through a Planning Performance Agreement should **NOT** be regarded as a means by which the developer can influence the decision by paying for the means by which it is administered. Local communities are entitled to have their interests represented as part of the Infrastructure Planning Commission process, and for those interests to be presented by their elected local authority. If through lack of resources Councils are disadvantaged from engaging then the democratic process would be argued to have been excluded. By being required to make the necessary resources available to Councils to fully engage, the developers are simply doing the same as paying a planning fee. They are contributing to the costs incurred by Councils to determine major projects and nothing else. A copy of a letter of intent from National Grid is attached as Appendix 1 to this report which highlights National Grid's commitment to providing adequate resources to local authorities through a formal Planning Performance Agreement. It should be emphasised that this is the start of a very lengthy process and the Borough Council will be expected to lead on and contribute to a range of work streams going forward, funding for which will be drawn down from the PPA.

3.4 The letter also makes reference to an offer from National Grid to make a presentation to Council Members regarding their proposals and the PPA process.

4. GOVERNANCE ARRANGEMENTS

4.1 Initial discussions with National Grid and local authority partners across Cumbria and Lancashire have also looked at potential governance arrangements. As the scope of the North West Coast Connections project is Cumbria and Lancashire wide it is envisaged at this stage that the County Councils act as the accountable body for each of their areas. Thus Cumbria County Council would take on for example the responsibilities for project management, claiming funding from National Grid and co-ordinating resource input. Where specialist input may be required then this may need to be procured externally. However the expectation is that resources within individual local authorities could be utilised and the costs of backfilling paid for via the Planning Performance Agreement

4.2 In operational terms there is merit in continuing the joint project team arrangements that have been established with local authorities and National Grid officials meeting on a regular basis. The view has been expressed by National Grid that they envisage the creation of a formal governance structure where a Member-led Project Board is established, where all those authorities who have signed up to the PPA are represented along with senior managers from National Grid. It is envisaged that such a Project Board may only meet 2/3 times per year to oversee and monitor the process. Executive is requested to consider this approach and the proposal that the Member representative is the Leader of the Council(portfolio holder for strategic nuclear issues).

5. CONCLUSIONS

5.1 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 there is a need for local authorities to consider the resource implications of their role within the development consent process.

6. WHAT ARE THE LEGAL, FINANCIAL AND HUMAN RESOURCES IMPLICATIONS?

6.1 There are significant resource implications for the Council which at this stage it is intended to resource through the Planning Performance Agreement (PPA) with National Grid.

7. HOW WILL THE PROPOSALS BE PROJECT MANAGED AND HOW ARE THE RISKS GOING TO BE MANAGED?

7.1 Copeland Borough Council input to the proposals is currently being led by the Corporate Director People and Places and managed by a project manager. Longer term the proposal is for Cumbria County Council to take on the lead role of project management, including managing risk, but with input from district authorities via the joint project team

8. WHAT MEASURABLE OUTCOMES OR OUTPUTS WILL ARISE FROM THIS REPORT?

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

List of Appendices

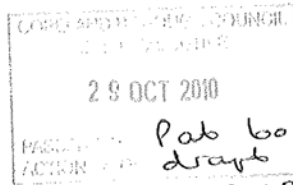
Appendix 1 – Copy of Letter of intent from National Grid dated 28th Oct

List of Background Documents:

nationalgrid

1100 Century Way
Thorpe Park
Leeds
LS15 8TU

Copeland Borough Council
The Copeland Centre
Catherine Street
Whitehaven
Cumbria CA28 7SJ



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FAO: Mr Paul Walker, Chief Executive

www.nationalgrid.com

28 October 2010

Dear Mr Walker

NATIONAL GRID - NORTH WEST COAST CONNECTIONS

I am writing to inform you about a National Grid project in your area that we have been discussing with Officers from your authority. The project is a nationally significant infrastructure project (NSIP) to provide necessary electricity transmission reinforcements in Cumbria and Lancashire. These reinforcements are needed to enable the connection of two proposed new nuclear power stations at Heysham and on land adjacent to Sellafield. Both of these sites are identified in the revised draft Nuclear National Policy Statement. The works will also benefit a number of other planned renewable energy connections, notably off-shore wind farms.

Stakeholder Engagement

Since the last round of stakeholder workshops in May and June of this year, National Grid has been progressing the technical and environmental studies to inform possible options for connecting the two power stations. National Grid will be convening further meetings with key stakeholders in Cumbria and Lancashire in the coming weeks. It is likely that a further meeting will be arranged before Christmas to update key stakeholders and seek input on the work to date and our future plans.

Programme

It is our intention to consult with key stakeholders on the technical options for connecting the two power stations and also on potential 'route corridors' for new transmission lines, during early 2011. This will feed into extensive community consultation in the second half of 2011. Further detailed design work, technical studies, related consultations and EIA activity will take place over the next 2-3 years. We hope to make an application for a Development Consent Order (DCO) from the Infrastructure Planning Commission (IPC) during 2014.

Commitment

National Grid proposes an extensive programme of pre-application consultation over the coming years. This will require a huge commitment on National Grid's part but also a significant contribution from the affected Local Authorities. A number of work streams which will require Local Authority involvement are likely to evolve around the following themes:

- Responding to consultation on Route Corridor Studies (RCS) and Substation Siting Studies (SSS)
- Responding to consultation on Statement of Community Consultation (SOCC)

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National Grid Electricity Transmission plc
Registered Office: 1-3 Strand, London WC2N 5EH
Registered in England and Wales, No 2366977

National Grid is a trading name for:
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Registered Office: 1-3 Strand, London WC2N 5EH
Registered in England and Wales, No 2006000

green
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- Reviewing National Grid's EIA work and scoping requests
- Preparation for production of Local Impact Reports (LIR), to go to the IPC
- Response to MIPU 'adequacy of consultation' request
- Attendance at National Grid workshops, meetings and consultation events

Planning Performance Agreement

National Grid is now engaging with certain Local Authorities to ensure that adequate internal resources are in place so that these work commitments can be satisfied. It is proposed that this can be achieved through a formal Planning Performance Agreement (PPA). Early discussions about the form and content of a possible PPA have commenced with the following authorities:

- Cumbria County Council
- Copeland Borough Council
- Lake District National Park Authority
- Lancashire County Council
- Lancaster City Council

These are the authorities who expressed particular interest in discussing the PPA when this issue was raised at the stakeholder meetings in May and June this year. However for these authorities to progress discussions much further with National Grid on the PPA, the Officers involved would like to brief Council Members so that they are fully aware of the process and what a PPA is and what it means for the authorities. It is also clear that a number of other authorities are likely to want to be signatories to the PPA who have not been involved in the discussions to date.

Formal Introduction

For the above reasons it was agreed that National Grid would formally write to the respective Chief Executives of each Local Authority that may be affected by this project. In total this is sixteen separate authorities, including the two County Councils. National Grid would like to make you aware that these discussions are taking place with particular regard to the PPA.

It is likely that we will arrange a specific meeting with interested Local Authorities to discuss the PPA and ensure that all interested parties are involved in the process. However this will not prejudice any authority from signing up to the PPA at a later date should they wish.

I look forward to hearing any comments you may have, and to meeting either you or a colleague to discuss this matter further. Please forward any comments to Charlie Webber, Consents Officer. Land & Development – NW & Scotland, National Grid, Daines Substation, Isherwood Road, Carrington, Manchester M31 4BH or his e-mail address - Charlie.webber@uk.ngrid.com.

Yours sincerely,



Peter Fendley
Senior Project Manager
Major Works