

Land Rights Strategy and Payment Schedule for Assets

Version 1



The transmission network is critical national infrastructure and therefore it is crucial that National Grid has the necessary land and land rights to install, operate, access, maintain, repair and protect the transmission network as part of the transition to a cleaner and greener future.

National Grid has an approach called the Land Rights Strategy, which provides a consistent methodology for acquiring land and land rights for their infrastructure projects. This approach is applied across infrastructure projects promoted as Development Consent Order (DCO) and Compulsory Purchase Order (CPO) schemes.

National Grid's preference will always be to secure land rights on a voluntary basis, as this enables the rights being acquired to be tailored to the specific requirements of the project. It is also important in supporting ongoing landowner relations.

The strategy has been implemented on all National Grid Transmission projects since 2010 requiring land and rights acquisition and is under continuous review to ensure that it is still fit for purpose, achieves business requirements, and meets the expectations of third-party landowners and occupiers. National Grid was one of the first utility companies to formally adopt and promote this approach. The Land Rights Strategy has evolved to take into account specific requirements of legislation, evolving industry best practice and also to meet the needs of particular projects.

What is the Land Rights Strategy?

1. Provides a consistent methodology for acquiring land and land rights for transmission infrastructure projects;
2. Helps to encourage landowners to voluntarily agree to enter into the required agreements, which then helps to preserve long term stakeholder relationships;
3. Ensures that there is consistency in the payments made to obtain land rights, and that all landowners are treated fairly and equally and in accordance with the expectations of existing legislation;
4. Aligns the approach taken for electricity transmission land rights across the UK National Grid Group Plc companies.

In summary, the overarching strategy is:

All affected landowners are offered Option Agreements to enable National Grid to acquire land, permanent rights over land or to obtain temporary land rights, before the DCO/CPO is granted. National Grid seeks temporary rights for construction activities, and permanent rights (easements) for the "as-built" assets (including all maintenance rights, access, drainage and landscaping/environmental mitigation that may be required for the project).

In parallel with seeking voluntary agreements, through the DCO/CPO process we apply for compulsory acquisition rights as a fall back, should Option Agreements not be secured voluntarily or should there be any issue with implementation of voluntary agreements (e.g. due to events such as insolvency, death/intestacy, loss of capacity etc). National Grid's preference will always be to secure land rights on a voluntary basis.

The payments schedule

1. Payments for surveys and investigation works

Whilst voluntary agreement is always sought, National Grid has statutory rights to gain access to land for surveys and investigation works. As a result, these payments for surveys are not payments for the grant of access rights, but are payments in recognition of damage and disturbance that potentially may be caused by survey and investigation works. National Grid will make the following payments:

Non-intrusive surveys

A payment of **£500** advance compensation, per land holding, for a 12 month period.

For night-time visits between 21:00 – 06:00, an advance payment of compensation of **£250** will be made for a 12 month period.

Intrusive surveys

Boreholes

A one-off **£350** advance payment of compensation for boreholes, per borehole.

Trial pits

A one-off **£350** advance payment of compensation for trial pits/holes, per trial pit.

Water monitoring

For water monitoring equipment an advance payment of compensation of **£150** per gauge will be made per 12 month period, to cover any site visits.

Survey licence signing fee

In addition, a one-off licence signing fee of **£250** will be made if the licence is signed within a two month period.

Notes

Any damage in excess of the above figures would be agreed on an individual basis, on production of evidence and proof of loss.



2. Payments in respect of permanent rights

New overhead lines

A one-off payment in respect of permanent rights per tower and associated oversail, including access rights:

- permanent grass land - **£6000** (or proportion based on land ownership)
- arable land - **£8000** (or proportion based on land ownership)

A one-off payment in respect of permanent rights per oversail (where no tower rights are required):

0-49m	50-99m	100m+
£500	£750	£1000

Existing overhead lines

If there is an easement in place but the terms are not fit for purpose, then a one-off payment to vary the agreement will be offered in the sum of **£1000**.

If there is no easement, or only a wayleave is in place, or if there is no agreement in place at all, then a one-off payment will be made as per the appropriate tower rate for a new easement to be completed.

Underground cables

- agricultural land - **80%** of land value over the easement width.
- non-agricultural land - **50%** of land value over the easement width.

These will be subject to a minimum land value **£7500/hectare**, and a minimum easement payment of **£500**.

Third party access rights

A one-off payment of **£1000** per tower accessed, will be made in return for permanent access rights over third party land for construction and future maintenance activities.

Incentive payments

An incentive payment of **20%** will be applied across any permanent land rights payments (as set out above for new infrastructure), if:

1. the Heads of Terms of agreement are returned to National Grid within an **8 week** period, and;
2. the Option Agreement is legally completed within a further **12 weeks**.

Easement payment instalments

Under the terms of the Option Agreement, National Grid will have an option to take entry onto land to construct new electricity transmission assets and following construction to complete the Easement. The payments will be made in instalments:

- **25%** of the land rights payment is payable on completion of the Option Agreement
- **50%** of the land rights payment is payable on taking entry onto land for construction under the Option Agreement
- **25%** of the land rights payment is payable on completion of Easement following construction together with any other payment(s) already agreed.



3. Injurious affection

National Grid acknowledges that any proposed new work may cause concern to landowners. In addition to the other payments outlined, 'injurious affection' and any other appropriate Heads of Claim will be considered on an individual basis in accordance with current legislation.

4. Crop loss, damage and disturbance claims

This will be assessed and paid on a proven loss basis.

5. Land acquisition

Land acquisitions (permanent or temporary) will be agreed on an individual basis.

6. Agents fees (paid via landowner/occupier)

Fixed fee of **£150** for professional land agency services in relation to the return of a completed and signed Land Interest Questionnaire for each landholding declaring all known land interests.

Single fixed fee of **£250** per land holding in relation to survey and investigation works.

Agents fees for negotiating an Option Agreement and for additional compensation (damage or injurious affection) will be based on the current published National Grid Payment of Surveyors' Fees document.

