

Southern Gas Networks PLC (Kingsferry Gas Pipeline Replacement Project) Compulsory Purchase Order 2023

STATEMENT OF REASONS

The Gas Act 1986
and
The Acquisition of Land Act 1981

**The Southern Gas Networks PLC (Kingsferry Gas Pipeline Replacement Project) Compulsory
Purchase Order 2023**

Statement of Reasons

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1 Introduction

- 1.1 This document is the Statement of Reasons of Southern Gas Networks PLC (**SGN**) prepared in connection with the Southern Gas Networks PLC (Kingsferry Gas Pipeline Replacement Project) Compulsory Purchase Order 2023 (**Order**).
- 1.2 If confirmed by the Secretary of State for Energy Security and Net Zero (**Secretary of State**), the Order will authorise SGN to compulsorily acquire new rights in land required for the construction and operation of a new gas pipeline under the river Swale between mainland Kent and the Isle of Sheppey and the decommissioning of the existing intermediate gas pipeline suspended beneath the superstructure of the Kingsferry Bridge over the river Swale, and associated works (**the Project**).
- 1.3 The Order was made pursuant to section 9 and schedule 3 of the Gas Act 1986 (**1986 Act**) and having regard to the Department for Levelling Up, Housing, and Communities Guidance on Compulsory Purchase (July 2019) (**CPO Guidance**).
- 1.4 This Statement provides SGN's justification for making the Order and explains why, in SGN's opinion, there is a compelling case in the public interest for compulsory purchase powers to be confirmed in pursuance of the Project.
- 1.5 In this Statement the land which is the subject of the compulsory purchase order is referenced as the Order Land. The Order Land is described in detail at Section 6 of this Statement and is shown coloured blue (acquisition of 'packages' of rights) on a map which form part of the Order (**Order Map**).
- 1.6 The Order also contains a Schedule of Interests which identifies those persons with an interest in land affected by the Order.

2 Powers under which the Order is Made

- 2.1 The Order is made under section 9 and schedule 3 to the 1986 Act.
- 2.2 Section 9 of the 1986 Act states that the powers in schedule 3 (which provides for the compulsory purchase of land) have effect in relation to the holder of a gas transporter licence. Paragraph 1(1) of Schedule 3 of the 1986 Act provides that, "The Secretary of State, after consultation with the Director, may authorise a gas transporter to purchase compulsorily any land."
- 2.3 Paragraph 1(2) of schedule 3 to the 1986 Act confirms that "Land" includes any right over land, and that the Secretary of State's power includes power to authorise the acquisition of rights over land by creating new rights, as well as acquiring existing ones. This includes the creation of rights equivalent to an easement and "restrictive rights", akin to a restrictive covenant.
- 2.4 SGN holds a Gas Transporter Licence (**Licence**) under section 7 of the 1986 Act and is the licenced gas transporter for the south and south-east of England.
- 2.5 SGN may therefore be authorised to purchase compulsorily land and/or rights required to enable SGN to carry on the activities authorised by its Licence, and of the rights in land proposed to be acquired under the Order are needed for those purposes.
- 2.6 The Secretary of State must be satisfied to confirm the Order that there is a compelling case in the public interest to justify the proposed interference with the private rights of those who have interests in the Order Land (paragraph 12 of the General Overview of the CPO Guidance).

Paragraph 13 of the General Overview of the CPO Guidance explains that if an acquiring authority does not have a clear idea of how it intends to use the land it is proposing to acquire and cannot show that all the necessary resources are likely to be available to achieve that end within a reasonable timescale, it will be difficult to show conclusively that the compulsory acquisition is justified in the public interest.

2.7 There are several general considerations set out in the CPO Guidance:

- (a) The Secretary of State will expect SGN to demonstrate that it has taken reasonable steps to acquire all the land and rights included in the Order by agreement (paragraph 2 of the General Overview of the CPO Guidance);
- (b) SGN should provide substantive information as to the sources of funding available for acquiring the land and implementing the scheme and the timing of that funding. Funding should generally be available now or early in the process (paragraph 14 of the General Overview of the CPO Guidance); and
- (c) SGN will need to show that the scheme is unlikely to be blocked by any physical or legal impediment to implementation, including the programming of any infrastructure accommodation works or remedial work or the need for planning permission or other consent or licence (paragraph 15 of the General Overview of the CPO Guidance)

2.8 The above considerations for the exercise and confirmation of compulsory purchase powers are addressed in this Statement of Reasons. Additional matters arise where special kinds of land are proposed to be acquired, which is not the case under the Order.

3 Need for the Project

3.1 The SGN Intermediate Pressure (IP) gas pipeline (**Existing Pipeline**) is the only gas supply to the Isle of Sheppey supplying approximately 15,000 domestic and commercial customers, including Sheppey Community Hospital, 12 primary schools and two secondary schools, care homes, three prison facilities (two of which are maximum security), extensive port facilities and multiple industrial and commercial businesses. All of these customers are reliant on a continued supply of gas.

3.2 In addition, having assessed proposed plans for domestic and commercial expansion within the Swale Borough Local Plan (adopted July 2017), SGN have predicted that between 2016 and 2026 the demand on gas supply will increase by 10%.

3.3 The Existing Pipeline is at the end of its operational life having been installed in the late 1950s. The Existing Pipeline is in poor condition and has had 13 gas leaks over its length, in October 2019 and, most recently, in October 2022 which shut Ridham Dock Road and the Kingsferry Bridge for approximately one week. The Kingsferry Bridge is a combined road and railway vertical-lift bridge connecting the Isle of Sheppey to mainland Kent. The 2022 leak caused the suspension of local train services between Sittingbourne and Sheerness and inconvenience to local businesses and residents. The leaks occurred despite the Existing Pipeline operating well below its maximum gas pressure of 7 bar. The Existing Pipeline and steel support gantry located within the service tunnel under Kingsferry Bridge is also corroding, caused in part due to harsh environmental conditions.

3.4 SGN are concerned that the condition of the Existing Pipeline could result in further gas leaks presenting health and safety risks to SGN operatives repairing faults, particularly within the confined space of the service tunnel beneath the Kingsferry Bridge, and, in extreme cases, risk the integrity of the structure of Kingsferry Bridge and its users.

- 3.5 It is now imperative that SGN replace the Existing Pipeline as soon as possible. Under the Special Conditions of SGN's Gas Transporter Licence (**Special Conditions**), OFGEM requires that SGN deliver the Project prior to the end of its current RIIO-GD2 price control period and has provided funding to align with that period. In the event that the Project is not delivered, is delayed or is only partially delivered, the Special Conditions provide that the funding may be reduced or adjusted accordingly.

SGN's statutory duties

- 3.6 SGN has an overarching statutory obligation under section 9 of the 1986 Act to develop and maintain an efficient and economical pipeline system for the conveyance of gas. Such a duty is also reflected in the gas transporter licence held by SGN under section 7 of the 1986 (**Licence**) and aligns with the Strategic Aim 6 of SGN's Gas Network Innovation Strategy 2018, which states:

"Use innovation to reduce the safety risks associated with essential activities now and in the future."

Policy Support for reinforcement and development of gas infrastructure

- 3.7 The UK Government recognises the importance of new energy developments and has published a series of National Policy Statements (**NPS**) which set out national policy for nationally significant energy infrastructure. Although applying strictly to those projects falling within the definition of Nationally Significant Infrastructure Projects (**NSIPs**) in the Planning Act 2008, the NPSs may also be a material consideration for projects progressed under the Town and Country Planning Act 1990 (as amended).

- 3.8 For the Project, the NPS for Energy (NPS EN-1), and the NPS for Gas Supply Infrastructure and Gas and Oil Pipelines (NPS EN-4), are material considerations. The Government has been consulting on draft replacements for the current NPS EN-1 and NPS EN-4, with the most recent drafts published for consultation on 30 March 2023. The consultation closed on 23 June 2023.

- 3.9 The current overarching NPS for Energy (NPS EN-1) sets out the Government's policy for delivery of major energy infrastructure. Paragraph 2.1.2 recognises that:

"energy is vital to economic prosperity and social well-being and so it is important to ensure that the UK has secure and affordable energy. Producing the energy the UK requires and getting it to where it is needed necessitates a significant amount of infrastructure, both large and small scale."

- 3.10 Para. 3.8.1 states that *"The UK is highly dependent on natural gas, which is used in roughly equal quantities in domestic households (largely for space heating purposes), for electricity generation (generating just over two fifths of electricity in 2010) and across a range of businesses (both as a fuel and as a feedstock)."*

- 3.11 The draft EN-1 explicitly recognises that *"the use of unabated natural gas...for heating, cooking, electricity and transport, and the production of many everyday essentials like medicines, plastics, cosmetics and household appliances, will still be needed during the transition to a net zero economy."*

- 3.12 The current NPS for Gas Supply Infrastructure and Gas and Oil Pipelines (EN-4) recognises at para. 1.1.1 that *"The efficient import, storage and transmission of natural gas and oil products is crucial to meeting our energy needs during the transition to a low carbon economy."* The draft EN-4 goes further and states that *" This reflects the ongoing need for oil and unabated gas*

during the transition to a net zero economy for heating, cooking, electricity and transport, and the production of many everyday essentials like medicines, plastics, cosmetics and household appliances. This will enable secure, reliable, and affordable supplies of energy as we develop the means to address the carbon dioxide and other greenhouse gases associated with their use, including the development of low carbon alternatives."

- 3.13 Development of the Project is therefore in line with the Government's current and draft replacement NPS EN-1 and EN-4.

4 Development of the Project and Alternatives

- 4.1 When considering options for interventions with the Existing Pipeline, SGN has followed their '4R Intervention Strategy' (as shown in Figure 1 below). This strategy is designed to maximise the asset life and minimise the capital expenditure of any intervention and in doing so sets out an order when considering the intervention type. This consideration is key in delivering customer value and focuses on the lighter intervention options of repairing and refurbishing the asset before considering more severe interventions such as component replacement and full rebuild.

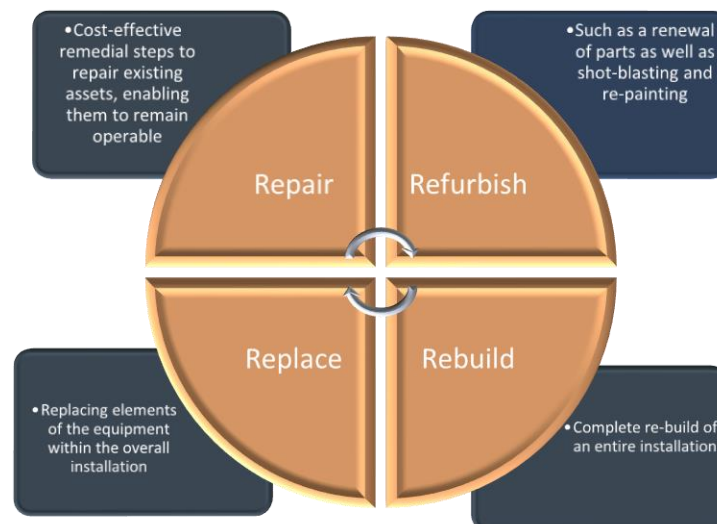


Figure 1 – 4R Intervention Strategy.

- 4.2 The following options, in line with the 4R strategy, were considered by SGN in the development of the Project.

The 'Do Nothing' Option

Not undertaking any works to secure the repair or replacement of the Existing Pipeline was not considered by SGN to constitute a feasible option. This was due to two factors, namely the recent gas leaks referenced at paragraph 3.3 of this Statement of Reasons, and the continuing corrosion of the Existing Pipeline material and supports. SGN believes that a failure to proceed with appropriate works would risk further disruption to the transport network as well as a potential for a complete gas supply failure to customers on the Isle of Sheppey. This would also amount to non-compliance with SGN's statutory duties to operate, maintain and develop its gas distribution networks in an economic, efficient and coordinated way.

The 'Pre-emptively Repair' Option

- 4.3 Explorations of the Existing Pipeline by SGN determined that leaks would likely become a regular occurrence requiring greater resources to maintain a continued supply. The degrading structure of Kingsferry Bridge and the service tunnel could potentially further jeopardise the integrity of the Existing Pipeline, meaning that during the period of any repair the entire supply to the Isle of Sheppey would potentially be cut off. In addition, the potential health and safety risks to workers repairing gas leaks or the Existing Pipeline's support structures were considered by SGN to be too great for this option to be considered and it was hence discounted by SGN.

The 'Repair on Failure' Option

- 4.4 This option was discounted by SGN on the basis that it would result in the unplanned failure in gas supply to the Isle of Sheppey with a prolonged period of no supply during repairs, potentially at a time of year when customers need to heat their homes and businesses. This option would also lead to potentially hazardous working conditions, especially within the service tunnel, for workers trying to repair the Existing Pipeline in-situ. This approach would be contrary to two of SGN's core values of reliability and safety and would result in non-compliance with SGN's statutory undertaking which obliges the company to maintain an efficient and economic pipeline network for the conveyance of gas. The emergency actions required to undertake repairs could also have an adverse impact on the sensitive surrounding areas. Therefore, a reactive 'repair on failure' approach is deemed by SGN to be inappropriate as compared to a planned, proactive approach.

The 'Replace on Failure' Option

- 4.5 This option would involve the replacement of sections of the Existing Pipeline, or the whole pipeline, in the event of a failure. There were three reasons why SGN discounted this option. Firstly, SGN considered this option would likely result in an unacceptable partial or whole cessation of the gas supply to the Isle of Sheppey during the leak and for the duration of replacement, potentially at a time of year when customers need to heat their homes and businesses. Secondly, the option would require work to be undertaken within potentially confined, hazardous spaces during an uncontrolled release of gas. That would be an unacceptable risk for SGN personnel due to health and safety concerns. Thirdly, the limited space within the service tunnel (located within the superstructure of the Kingsferry Bridge) would require installation of a second pipeline directly adjacent to the Existing Pipeline, which would not be feasible. In addition, it was noted that a benefit of not installing the new pipeline within the structure of Kingsferry Bridge would be the removal of potential future disruption to rail and road services due to replacement or repair operations.

The 'Replacement' Options

- 4.6 Having discounted the options described above, SGN then considered options which would provide for a new pipeline outside of the structure of the Kingsferry Bridge. Any replacement pipeline would need to be pre-emptively delivered prior to the failure of the Existing Pipeline.
- 4.7 Taking into account constraints posed by the geography of the existing pipeline network, ecological designations and land take, four possible routes for a replacement pipeline were identified and taken forward for further study. The replacement options were reviewed in a series of route walk throughs undertaken by SGN asset managers and specialist advisors to identify the various matters and risks that would need to be potentially considered and addressed to progress each option to the detailed design and construction stage.

- 4.8 These route walkthroughs identified all enabling and engineering requirements to determine the relative complexity and difficulty of each replacement option (including environmental impacts, construction and access, third party interfaces, land requirements and consents etc.) and these were summarised within individual route option reports.
- 4.9 SGN considered the following options to pre-emptively replace the Existing Pipeline with a new gas pipeline:
 - (a) Replacement Option 1: Crossing the River Medway from the Isle of Grain to Sheerness Docks;
 - (b) Replacement Option 2: Via horizontal directional drill (**HDD**) between Sheppey Bridge and Kingsferry Bridge;
 - (c) Replacement Option 3: Via HDD north of Sheppey Bridge;
 - (d) Replacement Option 4: Crossing the River Swale from Kent to the Isle of Sheppey via HDD (this being the preferred option).

The relative location of the four replacement options are detailed in Figures 2 and 3

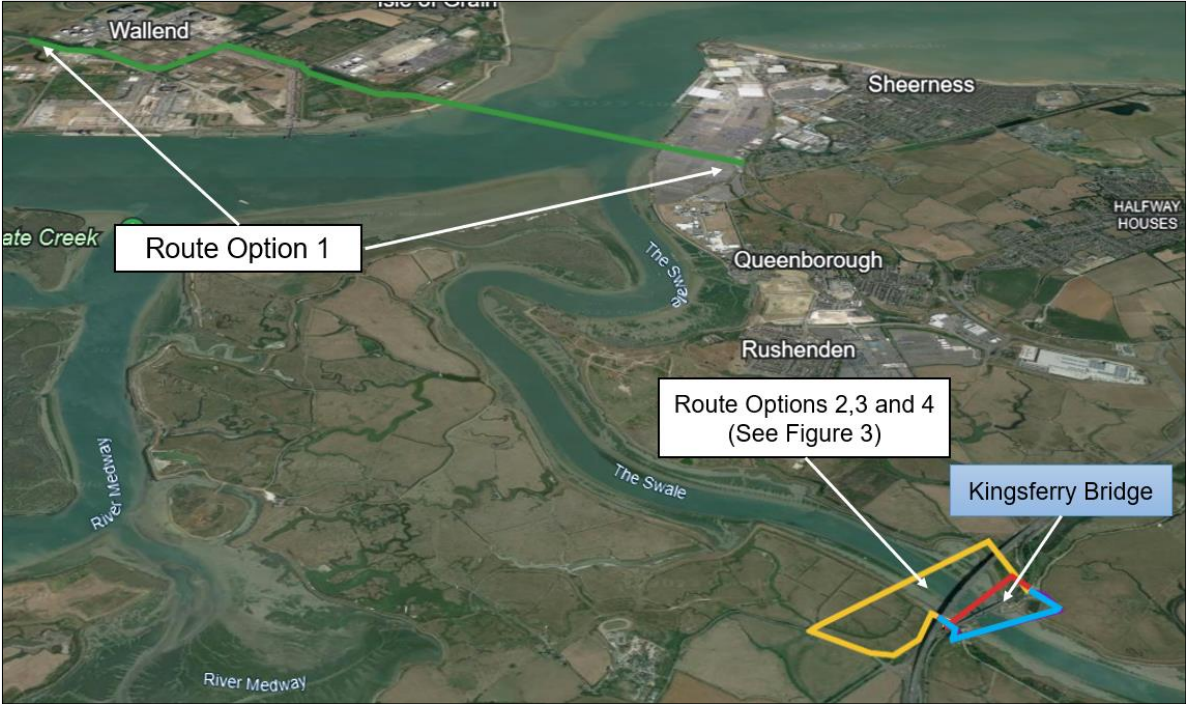


Figure 2 – Relative location and layout of the four replacement option routes

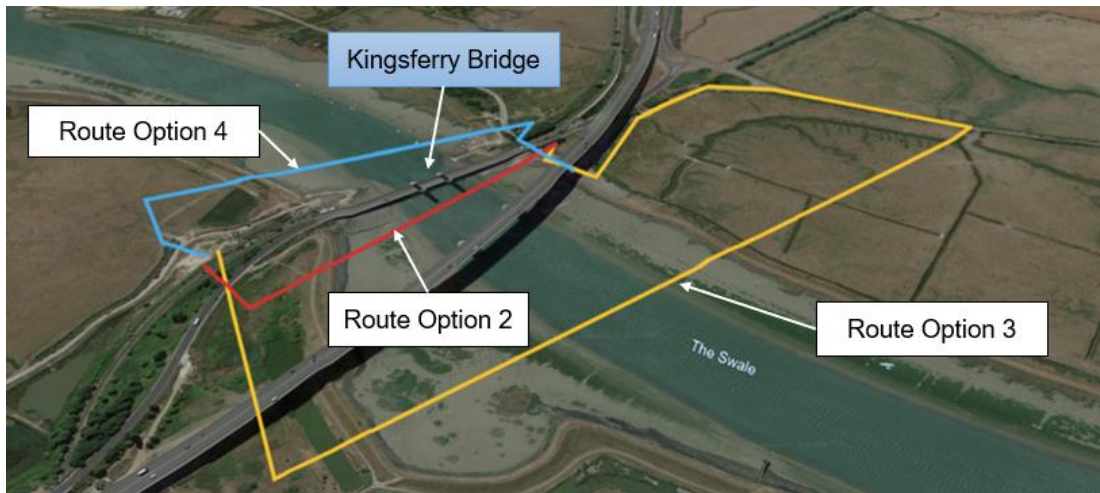


Figure 3 – Relative location and layout of replacement option routes 2,3 and 4

Replacement Option 1: Crossing the River Medway from the Isle of Grain to Sheerness Docks

4.10 The Existing Pipeline extends onto the Isle of Sheppey through the Kingsferry Bridge and then along Brielle Way to the north-west on to an existing gas distribution facility near to the Sheerness Docks. Consequently, Replacement Option 1 was considered, as it would have enabled Kingsferry Bridge to be bypassed completely by the construction of a new intermediate pressure gas pipeline beneath the Medway Estuary to the north of the Isle of Sheppey, to enter directly into the gas distribution facility (see Figure 4). Construction of this pipeline would require a trenchless method under the Medway Estuary, either tunnelling or HDD for over 2km. This would be a technical challenge, given that this distance is at the limits of HDD techniques (typically 1.5 km). If this replacement option was undertaken, the existing gas main from Kent within the Kingsferry Bridge and under the River Swale would still need to be either replaced or decommissioned. Furthermore, consultation would be necessary with the Environment Agency with respect to breaching the existing flood defences at the shoreline on the Isle of Grain.

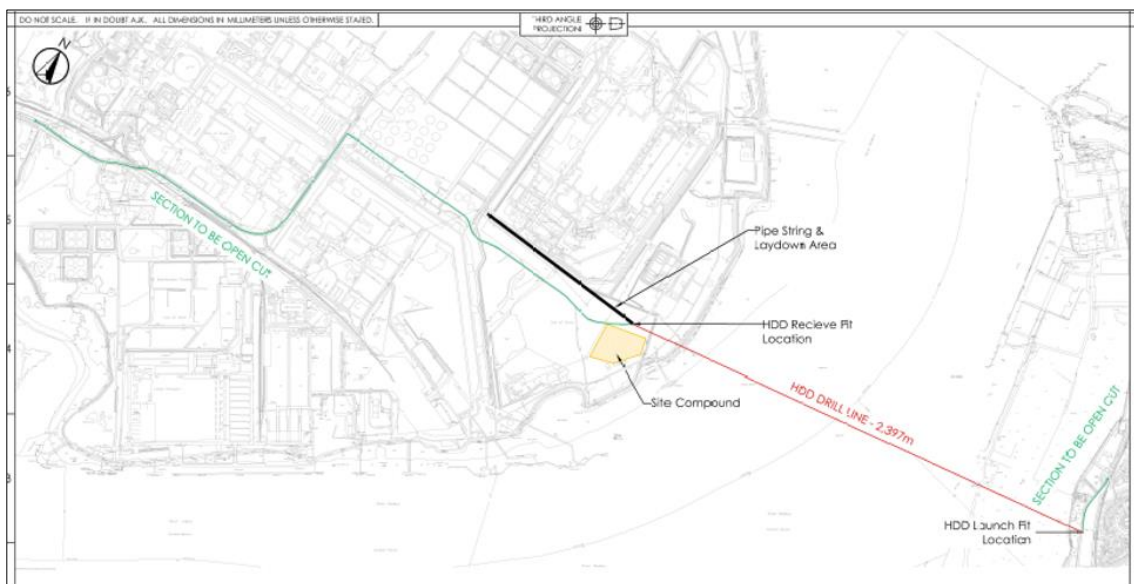


Figure 4 – Discounted Option: Proposed route for the new pipeline (green line to be installed using traditional open-cut methods, and red line installed via directional drilling). The Isle of Grain is shown in the left of the image, Sheerness Docks are visible in the right of the image.

4.11 In addition to the outlined technical difficulties, the River Medway corridor is designated as a Ramsar, Special Protection Area ('SPA'), a Marine Conservation Zone and a Site of Special Scientific Interest ('SSSI'). Although, the proposed working areas would not necessarily have been located within these designations, it was recognised by SGN that this replacement option would likely have an impact upon each of these designated sites. Given the complexity of the engineering required, the risk of potential impacts to the channel bed, hydrogeology, geomorphology and ecology of the Medway Estuary the impacts here were considered likely to be significant.

Replacement Option 2: Via horizontal directional drill between Sheppey Bridge and Kingsferry Bridge

4.12 Replacement Option 2 comprised a route to the north of Kingsferry Bridge and south of the Sheppey Crossing bridge. Replacement Option 2 provided for a new pipeline to be drilled beneath the Swale onto the Isle of Sheppey to the north of Sheppey Way. The pipeline would then cross beneath both the highway and railway to connect into the existing gas governor on the Isle of Sheppey. The proposed drill was anticipated to be approximately 415m in length across the Swale, with an additional approximately 100m drill to connect into the governor (see Figure 5). The route beneath the Swale would impact the same designated sites as Option 1.

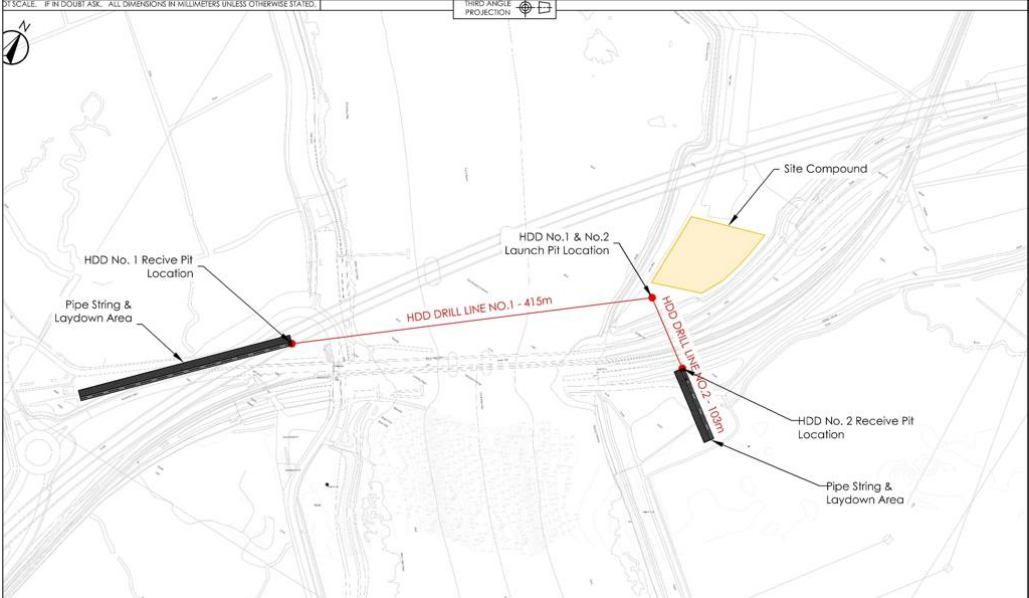


Figure 5 - Discounted Option: Proposed route for the new pipeline (green line to be installed using traditional open-cut methods, and red line installed via directional drilling). Mainland England is shown in the right of the image, and the Isle of Sheppey is shown in the right of the image, the Swale is in the centre.

4.13 Whilst the engineering complexities for Replacement Option 2 were not considered by SGN to be as great as the proposed crossing beneath the Medway Estuary provided for in Replacement Option 1, the required redirection of the gas pipeline to the south upon entry to the Isle of Sheppey which would nonetheless require drilling beneath both the highway and railway which would remain technically very difficult, and require significant work to ensure the safety of the operational pipeline and users of Kingsferry Bridge. The engineering complexities and risks identified with this option, alongside its potential impacts on designated sites, were deemed to be significant by SGN. This replacement option encountered very similar environmental conditions to Replacement Options 3 and 4.

Replacement Option 3: Via horizontal directional drill north of Sheppey Bridge

4.14 Replacement Option 3 required the new pipeline to be drilled beneath the Swale to the north of the Sheppey Crossing Bridge before redirecting beneath both the A429 and Sheppey Way, as well as the railway (see Figure 6).

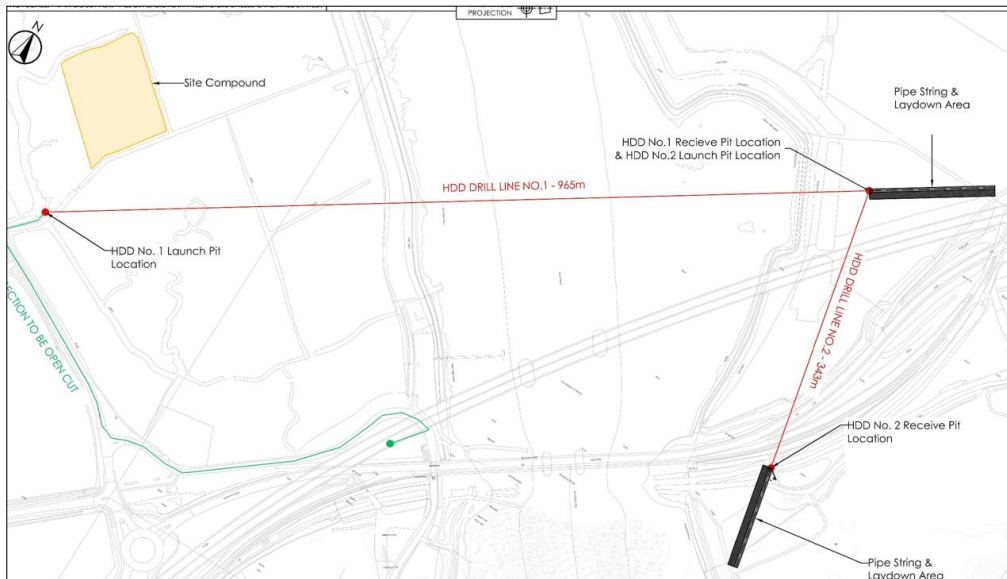


Figure 6 - Discounted Option: Proposed route for the new pipeline (green line to be installed using traditional open-cut methods, and red line installed via directional drilling).

4.15 Replacement Option 3 would have required two drill sections; the first 965m section beneath the Swale, the second 343m section to connect back into the existing governor of the Isle of Sheppey. The proposed installation would introduce significant engineering complexity due to the increased length of the drills. The risk of impacts to the environment due to the scale of development, posing consequential issues for impacted designated sites.

Replacement Option 4: Crossing the River Swale from Kent to the Isle of Sheppey (preferred option)

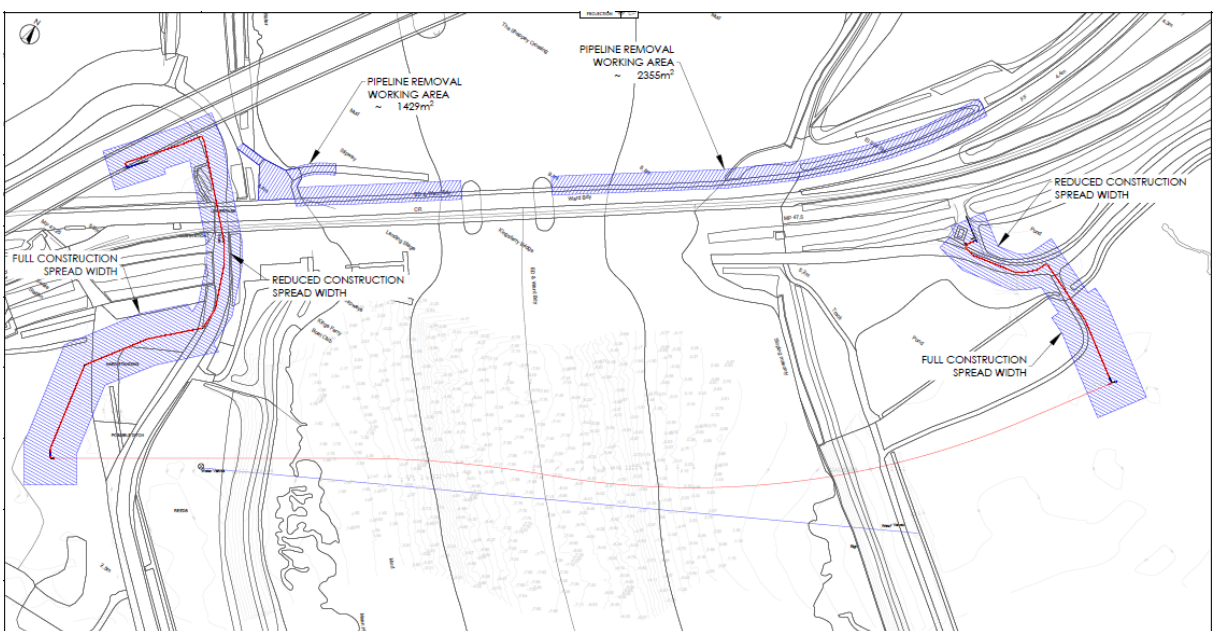


Figure 7 – Option 4 being the preferred option

- 4.16 Replacement Option 4 would utilise open cut trench works under the existing Kingsferry Bridge where a trench would be excavated under the structure. A new pipeline would be installed under the river Swale by HDD techniques, with the works areas extending in both directions to accommodate pipeline stringing and accommodation works. Upon completion, the Existing Pipeline within the Kingsferry Bridge would be decommissioned.

Comparative Assessment of the four replacement route options

- 4.17 Having analysed each of the four replacement route options, Replacement Option 4 was considered by SGN to have lesser technical, land and environmental impacts than the other options considered. This option was consequentially described as the preferred solution described in an Engineering Justification Paper dated July 2019 shared with OFGEM as part of SGN's GD2 funding submission which was subsequently approved by OFGEM in December 2020.
- 4.18 SGN undertook a further comparative exercise to verify its decision to pursue Replacement Option 4. This involved all the outputs from the analysis of the replacement options being inputted into a relative risk review which was undertaken by SGN's engineering team and specialists. This involved each replacement route option being given a score relative to the other three replacement options. A scoring system was utilised to show the relative risk between the different route options. The relative risk was generally assessed as:
- 1 – Low Risk
 - 2 – Medium Risk
 - 3 – Medium-High Risk
 - 4 – High Risk

Route Risk	Route Option			
	1	2	3	4
Engineering Difficulty	3	3	2	1
Construction Complexity	4	3	2	1
HDD Risk	3	2	3	1
Operational Complexity	3	2	2	1
Industry Best Practice	1	4	1	1
Risk of Drill failure	4	3	3	1
Operational Risk	3	2	2	2
Dewatering	2	2	3	1
Environmental Consents	3	4	4	4
Environmental Risk	2	1	3	1
Land Rights Complexity	4	2	3	1
Highways - Section 58	4	1	1	1
Impact on Flood Barriers	4	4	4	4
Ecological Risk	2	1	2	1
Archaeological consents	2	3	4	3
Crown Consent Needed	4	1	1	1
Agreement breach by 3rd party	3	4	4	4
Land Risk	4	2	3	1
Network Rail Consents	3	3	3	1

Route Risk	Route Option			
	1	2	3	4
Third Party Consents	2	2	2	1
Cost	4	2	3	1
Total Score	64	51	55	33

- 4.19 In the comparative exercise, Replacement Option 4 came out on top overall, and in respect of 15 of the 21 comparative criteria considered.

Conclusion on Alternatives

- 4.20 As described above, all four replacement options contained degrees of engineering and construction complexity likely designation impacts and consenting requirements. However, the outcome of the relative risk review which considered each replacement option, confirmed that the preferred option was Replacement Option 4 to the south of Kingsferry Bridge. This was because it was considered to be the most practical option to construct, would pose the least environmental impact on the surrounding area and deliver the most cost-effective viable route to connect into the existing pipeline network. It was this option that formed the basis of SGN's approved GD2 submission to Ofgem.

5 Description of the Project

- 5.1 The Existing Pipeline serving the Isle of Sheppey currently crosses the river Swale via a service tunnel within the Kingsferry Bridge and is reaching the end of its asset life and requires replacement.
- 5.2 It is proposed to replace an approximately 518m long (plus vertical sections), 300mm diameter section of the Existing Pipeline with a new pipeline under the river Swale by HDD (**New Pipeline**). The New Pipeline would connect back into the Existing Pipeline either side of the Kingsferry Bridge. The New Pipeline section will be 1.10km long and have a 400mm diameter. Once the New Pipeline is installed, the Existing Pipeline will then be fully decommissioned and removed from the Kingsferry Bridge. Together these are the **Works** which comprise the Project.
- 5.3 SGN has undertaken engagement on the preferred strategic proposal with a wide variety of stakeholders including relevant statutory bodies, political representatives, potentially affected landowners and the general public through a variety of approaches. Feedback from engagement will continue as detailed design work matures. This supports the acquisition of necessary rights for the construction and operation of the infrastructure through voluntary agreements or compulsory purchase where necessary.

- 5.4 The component parts of the Project are described below:

Construction of New Pipeline

- 5.5 Construction of the New Pipeline will be undertaken using a combination of trenched installation techniques across open land, and trenchless methods, such as HDD, to cross obstacles where appropriate, including (but not limited to) roads, buried utilities and watercourses.

- 5.6 The component parts are described in more detail below:

- (a) Working corridor comprising:

- (i) Pipe trench: this is the excavation within which the 400mm pipe will be installed.
 - (ii) Working areas: these are areas on either side of the pipe trench which are needed to allow the safe and efficient movement of personnel, plant and machinery used to perform the construction activities required. These areas will include space to weld, inspect and coat the pipeline before it is lowered into the trench.
 - (iii) Topsoil bund: these areas will be used for the storage of the topsoil.
 - (iv) Subsoil bunds: these areas will be used to store the soil that has been excavated to create the trench. The subsoil removed from the trench will be stockpiled adjacent to the area where it was removed from to ensure the soil is returned to the same areas during reinstatement. The subsoil will be stored as far as practicable away from the topsoil to prevent mixing of soil types.
 - (v) Running track: the working corridor will include a running track for construction traffic along the pipeline route. The running track will be approximately 8m wide increasing up to 12m where there are passing places. This is particularly important to ensure access in the event of an emergency.
 - (vi) Fence: to ensure compliance with the CDM regulations the working area will be fenced off to define the area in which the construction activities will be undertaken. Fencing types will be selected based on the purpose required (e.g. to demarcate vehicle and pedestrian/working areas where required, to provide security in high-risk areas).
- (b) The construction works will be serviced from construction compounds. The main compound is located on the south of the river Swale adjacent to and accessed from Ferry Bridge Road. This compound will hold contractors' offices and welfare infrastructure, materials, plant and equipment stores. The compound will be secured by perimeter hoarding and full time out of hours security resources.
 - (c) The compound on the north of the river Swale will be primarily for material storage and local contractor welfare facilities. This compound will service the laydown area for the HDD pipeline string activities prior to pulling the pipeline into the HDD.
 - (d) In advance of main construction works and compound installation, various surveys, ecological and archaeological mitigation activities are to be undertaken. These activities will include contemporary habitat surveys and records, relocation of great crested newts and reptiles as necessary along with protection infrastructure for watercourses, ponds and any other ecological areas of interest.
 - (e) The construction of compounds and main works will be overseen by ecological specialists and undertaken under controlled risk assessments and methods of working. Archaeological specialist input would be requested should any archaeological assets be found during the course of construction and/or the main works.
 - (f) The compounds and working areas will be accessed from Ferry Bridge Road and Sheppey Way via temporary access roads within the site. The design and construction of temporary access roads and laydown areas will provide for protection to the existing landscape including temporary drainage controls via local pumping. Temporary drainage systems and controls will be detailed within the construction environmental management plan.

- (g) The section of the New Pipeline under the river Swale will be installed using HDD techniques with a reception pit installed on the north side of the river Swale and a launch pit on the south side. This section of pipeline will be prefabricated as a pipe string that will be pulled back by winch towards the southern pit.
- (h) The connecting pipelines on either side of the River Swale will be installed via standard pipelaying open cut trench techniques to the connection points on the Existing Pipeline. Sections of Existing Pipeline within the public highway will be undertaken with standard highways notices (NRSWA) to standard installation and reinstatement procedures and specifications.
- (i) The New Pipeline connections will be made using flanges at each connection point that are to be installed on the Existing Pipeline. The Existing Pipeline will be exposed within supported excavations, and the new pipe flanges installed under pressure by a specialist Contractor. These works will all be undertaken and controlled within SGN permits to work and specific procedures.

Removal and decommissioning of the Existing Pipeline

5.7 The removal of the Existing Pipeline will be undertaken in discrete phases to allow for Network Rail interfaces, restricted access and methods of working:

- Phase 1 - Removal of the Existing Pipeline from within the existing Kingsferry Bridge south abutment;
 - Phase 2 - Removal of the Existing Pipeline from the under the existing Kingsferry Bridge superstructure on the river Swale south foreshore;
 - Phase 3 - Removal of the Existing Pipeline from within the Kingsferry Bridge southern tower;
 - Phase 4 - Removal of the Existing Pipeline from within the Kingsferry Bridge service tunnel section;
 - Phase 5 - Removal of the Existing Pipeline from within the Kingsferry Bridge northern tower;
 - Phase 6 - Removal of the Existing Pipeline from within the existing Kingsferry Bridge south abutment; and
 - Phase 7 - Removal of the Existing Pipeline from under the existing Kingsferry Bridge superstructure on the river Swale south foreshore
- (a) The removal works final scope, methodology and interfaces will be subject to the Network Rail Asset Protection Team (ASPRO) process.
 - (b) The removal works will be serviced from two secure contractor compounds either side of the river Swale adjacent to the Kingsferry Bridge north and south abutments. Access to the compounds will be via Ferry Bridge Road and Sheppey Way.
 - (c) Access to the work areas will be via the slipways to the north and south foreshores and adjacent to the tower entrances on the Kingsferry Bridge. A temporary lane closure on the northern lane of the bridge section of Sheppey Way will be required when access or egress to the towers is required.

- (d) Various proprietary access scaffold systems will be installed within the specific phases of pipeline removal to suit the decommissioning and redundant pipeline removal requirements of the pipeline.

6 **Overview of the Order Land**

- 6.1 The order land comprises three main parts. The first part is on the Isle of Sheppey side, where the land is a mixture of scrub, grass and marsh land reaching down to the shoreline of the river Swale. The second part is the Kingsferry Bridge within which the Existing Pipeline runs. The third part is on the mainland side, where the land is a mixture of scrub, grass and marsh land and farm land. The land is shown on the Order Map and together comprises the **Order Land**.
- 6.2 Works have been undertaken on parts of the Order Land (both on the Isle of Sheppey and the mainland) by Southern Water to construct its Sheppey Pipeline Project between November 2022 and August 2023. The Southern Water works comprised HDD works with compounds on both the island and mainland sides. The works have now been completed, albeit there are still a number of compounds in situ that require remediation by Southern Water.

7 **New Rights to be Acquired**

- 7.1 SGN is taking a proportionate approach to compulsory acquisition and, rather than seeking to acquire the freehold title, is only seeking to acquire new rights over the Order Land. The new rights sought have been separated into 'packages' based on their purpose and applied to specific plots, as appropriate. The rights packages have been tailored in this way to ensure that a proportionate approach is taken. Accordingly, if a plot is only required in order to facilitate limited works, the relevant rights package is sought in relation to that land.
- 7.2 The rights packages are set out in full at Appendix 1 but can be summarised as follows:

Rights Package	Colour on Order Maps
Pipeline Construction Rights	Blue
Pipeline Rights	Blue
Working Area Rights	Blue
Access Rights	Blue
Decommissioning Rights	Blue
Drilling Rights	Blue

- 7.3 By way of an explanation of the differences between the rights:

- (a) **The Pipeline Construction Rights, Working Area Rights, Decommissioning Rights and Drilling Rights** are to be exercised on a temporary basis for the purpose of undertaking the Works.
- (b) **Drilling Rights** are sought in relation to certain plots underneath the Swale River. There are a number of elements of the broader class of Pipeline Construction Rights that would not be required for drilling.

- (c) **Working Area Rights** give the right to (amongst other things) store the equipment used to undertake the Works.
- (d) The **Pipeline Rights** are required on a permanent basis. They provide a suite of rights to be exercised in relation to the ongoing use and maintenance of the New Pipeline as well as access to the New Pipeline.
- (e) **Access Rights** are sought over the necessary plots to enable construction activity for the New Pipeline and decommissioning works, and access from the public highway to the New Pipeline to enable ongoing maintenance of the New Pipeline. Access Rights will be relinquished following completion of the Works where they are no longer required.
- (f) **Decommissioning Rights** give rights to undertake the decommissioning works to the Existing Pipeline and associated infrastructure / apparatus / equipment.

8 Approach to Acquisition by Agreement

8.1 The Schedule to the Order identifies all those persons with an interest in the Order Land. In accordance with the CPO Guidance, SGN has sought to engage with all known owners and occupiers of the Order Land, with a view to acquiring the new rights needed for the Project by agreement wherever possible.

8.2 Contact referencing commenced in July 2021 (and then again in 2023 following a period of stasis) whereafter a program of landowner engagement commenced with each landowner and/or their professional advisors as set out in the Schedule of Engagement at Appendix 2.

8.3 Network Rail Licence

8.4 SGN has an overarching licence agreement dated 7 March 2014 (**NR Licence**) in place with Network Rail Infrastructure Limited (**NR**) which regulates the framework for the decommissioning of SGN's pipelines and which applies to the decommissioning of the Existing Pipeline. The NR Licence obligations are triggered upon SGN giving NR not less than 12 months' prior written notice expiring on the anniversary of 1 January 2009. Assuming assumptions around programme for the installation of the New Pipeline are met, SGN currently anticipates serving notice to expire on 1 January 2027. Prior to expiry of that notice SGN must:

- (a) remove the relevant pipeline; and
- (b) execute any works for the protection of the railway as NR require; and
- (c) comply with NR's engineering conditions (being such conditions as NR may properly require for the safety, protection or operation of its railway) and/or pipeline conditions, which require (amongst other things):
 - (i) NR's prior written approval to the commencement of the works;
 - (ii) SGN pre-planning entry onto NR's land as far in advance as possible before hand;
 - (iii) any works to be carried out to NR's satisfaction and (if required) under its supervision; and

- (iv) compliance with any such stipulations, directions and requirements as NR shall prescribe.

SGN is engaging with NR's ASPRO team.

9 **Consents required for the Project**

Planning consents

- 9.1 SGN is relying on its permitted development rights provided in Class A of Schedule 2, Part 15 of the Town and Country Planning (General Permitted Development) (England) Order 2015 (**GDPO**) to authorise the Project.
- 9.2 The Project does not require planning permission under the Town and Country Planning Act 1990 Act (**1990 Act**) because either the relevant Works do not constitute development requiring planning permission under the 1990 Act or they benefit from permitted development rights under the Town and Country Planning (General Permitted Development) (England) Order 2015 (the **GPDO**). By way of summary:

Project Component	Planning consenting position
Temporary construction areas & access	Permitted development pursuant to Class A of Part 4 of Schedule 2 of the GPDO
Decommissioning of Existing Pipeline	Not development under section 55 of the 1990 Act.
Construction of New Pipeline	Permitted development pursuant to Class A of Part 15 of Schedule 2 of the GPDO

Statutory obligations

- 9.3 SGN has a statutory obligation to make a notification under the Pipeline Safety Regulations 1996, six months prior to construction (Regulation 20). This notification will be made prior to the commencement of construction.
- 9.4 Part 15A(2)(a) of the GDPO requires that the local planning authority is notified at least 8 weeks prior to the construction of 'notifiable pipelines', defined as major accident hazard pipelines. The New Pipeline does not meet any of the definitions of a major accident hazard pipeline under Schedule 2 of the Pipelines Safety Regulations 1996 and therefore this condition on the permitted development rights does not apply to these works.
- 9.5 There are no specific requirements under SGN's Licence that it must comply with beyond having respect for matters of safety and having regard to the over-riding importance of safety in the undertaking of the Project.

Environmental Impact Assessment and Habitats Assessment

- 9.6 Due to the location of the Project in a sensitive area, SGN was required to carry out a screening for an Environmental Impact Assessment for this project pursuant to the Gas Transporter Pipeline Works (Environmental Impact Assessment) Regulations 1999 (**1999 Regulations**). This has been completed in accordance with the Regulations and a negative determination was

issued on 9 May 2023 by the Department for Energy Security and Net Zero, confirming that no environmental assessment is required.

9.7 The Project is located within or in proximity to the following designated sites:

- (a) Medway Estuary and Marshes SSSI;
- (b) The Swale SSSI;
- (c) The Swale Ramsar;
- (d) The Swale SPA;
- (e) Medway Estuary and Marshes Ramsar; and
- (f) Medway Estuary and Marshes SPA.

9.8 In accordance with the requirements of the Conservation of Habitats and Special Regulations 2017 (**Habitats Regulations 2017**) and the Town and Country Planning (General Permitted Development) (England) Order 2015, SGN cannot commence Works under the auspices of its permitted development rights until it has received written notification from Natural England that an assessment of the potential effects of the proposals on the features for which the European sites are designated has been undertaken.

9.9 A draft habitats assessment was submitted to both Swale Borough Council (**SBC**) and the Secretary of State for the Department of Levelling Up, Communities and Housing (**DLUHC**) in two separate applications for an EIA screening opinion (which was ultimately granted by DESNZ under the 1999 Regulations as detailed in paragraph 9.6 above). The screening request to SBC was made in March 2022 and the submission to DLUHC was made in June 2022 following a non-determination of the screening opinion request by SBC. In both instances, Natural England were consulted and noted that information for an appropriate assessment for the purposes of regulation 76 of the Conservation of Habitats and Species Regulations 2017 had been provided. The draft habitats assessment was also submitted to DESNZ in March 2023.

9.10 The draft habitats assessment determined that there would be no likely significant effects following an appropriate assessment. A number of potential effects were identified at screening, including:

- (a) Direct degradation of habitats that support qualifying features through physical damage;
- (b) Indirect disturbance through visual and audio impacts as well as changes in air / water quality;
- (c) Disturbance / displacement of qualifying species from visual, noise, vibration and or lighting impacts;
- (d) Direct harm / mortality of qualifying species; and
- (e) Spread of non-native species.

However, the habitats assessment concluded that, with mitigation measures incorporated into the design, there would be no adverse effect on the integrity of the European sites.

9.11 The current draft habitats assessment is reliant on species data collected in 2022 (overwintering bird data was collected 2021 – 2022). Additional surveys may be required to accurately reflect

the existing condition of the land prior to the commencement of the Project works and prior to the submission of a finalised habitats assessment. This will be submitted alongside the application for assent to undertake works within the SSSI in May / June 2024.

- 9.12 Following confirmation of the construction commencement date, an updated version of the habitats assessment will be submitted to Natural England alongside the application for assent to undertake works within the SSSI. Natural England have an obligation to determine the SSSI application within 28 working days and as such SGN intends to make this submission a minimum of eight weeks prior to the commencement of construction to ensure a determination is obtained in a timely manner.
- 9.13 Given the engagement to date with Natural England on the habitats assessment, SGN, as the competent authority, are confident that any likely significant effects identified on the designated sites can be avoided following consideration of proposed mitigation measures.
- 9.14 SGN approached Natural England to ascertain the cost of a District Level Licence (**DLL**) in respect of great crested newt mitigation for the Project. Natural England provided a quote for the Project which was valid for three months. The DLL would allow SGN and their appointed build contractors to undertake the construction works anticipated by the Project. It is unlikely that conditions to the DLL would be required beyond requirements to erect fencing at certain times of the year and/or traps to be set for certain periods at certain times.
- 9.15 In respect of other species, further surveys (over and above those completed to date) will be completed prior to construction to ensure compliance with species legislation, an approach this is normal practice in view of species mobility. This further survey works is to be completed at the appropriate times as set out in Natural England's guidelines prior to commencement of construction. Data from these surveys will inform the HRA screening and, if necessary, appropriate assessment and the SSSI Assent which will be secured from Natural England prior to construction.
- 9.16 SGN are confident that securing the above approvals from Natural England does not represent an impediment to the delivery of the Project. There have been no material changes to the Project that would introduce additional likely significant effects beyond those identified in the draft habitats assessment or that would necessitate a change in the conclusions reached under it. In addition, Natural England have previously confirmed through consultation (as referred to at paragraph 9.9) that the Project is not EIA development in ecological terms.

Floodplains

- 9.17 The Swale is a tidal channel of the Thames Estuary and works either side of the Kingsferry Bridge would be in the floodplain (albeit the land is defended).

Archaeology

- 9.18 There are also known archaeological assets within the surrounding area but these are not assets on which Historic England would need to be, or are invited to be, consulted on. SGN are confident that these assets are not impacted by the proposed Development.

Traffic Management and Construction Environmental Management Plan (CEMP)

- 9.19 A CEMP has not been produced for this Project but if required, Traffic Management Plan will be produced by the appointed build contractor in due course. Details on how construction traffic will be managed were included in the documentation submitted as part of the screening for an Environmental Impact Assessment and the methodology set out therein incorporated protocols

as to how to ensure environmental protection would be considered during construction. The current draft habitats assessment will likely be amended once final details of the construction programme and methodology is known and this will be agreed with Natural England in line with the requirements for working within European sites / SSSI.

Footpath diversions and stopping up

- 9.20 The Schedule of Interests that accompanies the Order refers to the acquisition of rights in plots across which there are routed a number of footpaths (ZR90, ZR88, ZS19 and ZS12).
- 9.21 The Project Works will not interfere with footpaths ZS12 or ZS19 or ZR88 and these footpaths will not need to be stopped up or diverted.
- 9.22 Footpath ZR90 crosses plots which will be used for drilling under the River Swale. SGN is confident that footpath ZR90 will not be affected by the Works with measures such as the placing of bog mats can be employed to ensure that the footpath remains passable. Diversion of the footpath would not be appropriate given that the land in the surrounding area is marshy and would not be a suitable alternative. A temporary stopping up order of this footpath would only be required in circumstances where the Works would make the route impassable.
- 9.23 Kingsferry Boat Club have noted that they intend to make an application to divert footpath ZR88 and further information as to the extent of this diversion has been requested by SGN.

Special Category and Statutory Undertakers Land

Land belonging to statutory undertakers

- 9.24 The Order Land includes land owned by the following statutory undertakers:
- (a) Network Rail own parts of plots 31, 32, 33, 34, 35, 54, 55, 62, 64, 69;
 - (b) Network Rail own plots 37, 38, 39, 40 in respect of mines and minerals;
 - (c) National Highways Limited own plots 2, 3, 4, 5, 6, 7, 8, 9, 10, 12, 13, 15, 16, 17, 18, 19, 20, 21, 22, 23, 25, 30, 53, 62;
 - (d) Kent County Council own plots 9, 11, 13, 14, 20, 22, 24, 26, 27, 28, 29, 30, 31, 32, 34, 54, 55, 58, 59, 60, 61, 62, 69.

Land belonging to a local authority

- 9.25 Whilst there is public highway within the Order Land (the status of which is unaffected by the Order), the Order Land does not otherwise include any land which is owned by a local authority.

Land owned by the National Trust

- 9.26 The Order Land does not include any land which is owned by the National Trust.

Land forming part of a common, open space or a fuel or field garden allotment

- 9.27 The Order Land does not include any common land, open space or fuel or field garden allotments.

Burial grounds, ecclesiastical property or land which includes listed buildings or is in a conservation area

- 9.28 The Order Land does not include any burial grounds, listed buildings or conservation areas within the Order Land.

Crown Land

- 9.29 The Order Land does not include any Crown Land.

10 Delivery and Resources

- 10.1 The options for the replacement of the Existing Pipeline were presented to OFGEM for its current RIIO-GD2 price control period to 31 March 2026. Option 4 was subsequently approved by OFGEM in December 2020 as a named project within the RIIO-GD2 price control agreement. The allowances provided by OFGEM are available from 1 April 2021 to 31 March 2026. As such, paragraphs 13 and 14 of the General Overview of the CPO Guidance are met.
- 10.2 SGN's Network Investment Committee granted internal approval to progress with the Project and allocated appropriate funding and financial management in May 2023 via SGN's governance process.
- 10.3 To secure contractor resources for the Project, SGN will undertake a competitive procurement event from a preferred list of suppliers. The successful contractor will then undertake the works.
- 10.4 The construction periods for site activities will be influenced by the mitigatory actions agreed within the habitats assessment and associated documentation to provide for protection of the local ecology and environment. Subject to the progress and conclusion of the Order, SGN anticipates a start date for the on-site pre-construction activities in October 2024 with compound works construction commencing in February 2025. Completion of these works will enable the installation of the new pipeline and connections to the Existing Pipeline from August 2025 with completion in October 2025.
- 10.5 The decommissioning of the Existing Pipeline within the structure and service tunnel of Kingsferry Bridge will commence after installation and commissioning of the New Pipeline has taken place in November 2025 with decommissioning anticipated to be completed in March 2026.

11 Human Rights Considerations and the Equality Act

- 11.1 Section 6 of the Human Rights Act 1998 prohibits public authorities from acting in a way which is incompatible with rights protected by the European Convention on Human Rights (**the Convention**). The position is summarised in paragraph 12 of the General Overview of the Guidance, which states that a compulsory purchase order should only be made where there is, "a compelling case in the public interest". The Guidance makes it clear that an acquiring authority should be sure that the purposes for which it is seeking compulsory acquisition powers sufficiently justify interfering with the human rights of those with an interest in the land affected. In making this assessment, an acquiring authority should have regard to the provisions of Article 1 of the First Protocol to the Convention, and in the case of dwelling, Article 8.
- 11.2 Article 1 of the First Protocol states that:

"...Every natural or legal person is entitled to peaceful enjoyment of his possessions" and "no one shall be deprived of his possessions except in the public interest and subject to the conditions provided for by the law and by the general principles of international law...".

- 11.3 The Order Land is proposed to be affected by new rights only. The new rights sought by SGN have been separated into 'packages' based on their purpose and applied to specific plots, as appropriate. Some of the rights are only required for temporary purposes, such as the creation of construction compounds, and will only be exercised during the construction phase. Other rights will be permanent in nature, such as the right to install, operate, repair and maintain the new sections of pipeline. The rights 'packages' have been tailored in this way to ensure that a proportionate approach to compulsory purchase is taken, and that the impact for affected landowners and occupiers is limited so far as reasonably practicable.
- 11.4 The Order is being promoted in the public interest as required by Article 1 of the First Protocol and the public benefits have been set out in detail earlier in this Statement. SGN considers that the Order will therefore strike the right balance between the public interest in the implementation of the Project and those private rights that will be affected by the Order.
- 11.5 Article 6 of the Convention provides that:
- "In determining his civil rights and obligations... everyone is entitled to a fair and public hearing within a reasonable time by an independent and impartial tribunal established by law."
- 11.6 The Order has been extensively publicised to those affected. All those affected by the Order will be notified, will have the right to make representations and objections to the Secretary of State, and objecting parties will have the right to be heard at a public inquiry. It has been held that statutory processes comply with Article 6 of the Convention.
- 11.7 Those whose interests are acquired under the Order will also be entitled to compensation which will be payable in accordance with the Compulsory Purchase Compensation Code. The Compensation Code has been held to be compliant with Article 8 and Article 1 of the First Protocol to the Convention.
- 11.8 SGN has sought to keep any interference with the rights of those with interests in the Order Land to a minimum. The land within the Order has been limited to the minimum required for the Project infrastructure to be installed, operated and maintained.
- 11.9 The requirements of the Human Rights Act 1998 and the Convention, particularly the rights of property owners, have therefore been fully considered. There is a compelling case in the public interest for the Order to be made and confirmed, and the interference with the private rights of those affected that would be the inevitable result of the exercise of compulsory purchase powers conferred by the Order would be lawful, justified and proportionate.

Equality Act

- 11.10 SGN has, as a non-public body exercising public functions, had regard to the public sector equality duty set out in s149(1) of the Equality Act 2010.
- 11.11 SGN has taken account of and considered receptors and effects on those receptors through its environmental assessment processes for the Project.
- 11.12 SGN does not currently consider that the Project will give rise to any impacts or differential impacts on persons who share a relevant protected characteristic as defined in the Equality Act, or upon persons who do not share such relevant protected characteristic. However, SGN's position will be continually monitored, and should any persons be identified who may be adversely impacted by the Project, packages of assistance measures will be put in place as necessary so as to mitigate so far as practicable any identified activity that may have an adverse impact on these individuals.

12 Statement justifying extent of scheme to be disregarded in the no scheme world

- 12.1 Paragraph 196(v), Section 12, of the CPO Guidance states that a statement of reasons should include a statement which justifies the extent of the scheme to be disregarded for the purposes of assessing compensation in the 'no-scheme world'.
- 12.2 Section 6(A) of the Land Compensation Act 1961 (**LCA 1961**) provides that "the no-scheme principle is to be applied when assessing the value of land in order to work out how much compensation should be paid by the acquiring authority for the compulsory acquisition of the land". For the purposes of section 6(A), the "scheme" means the scheme of development underlying the acquisition.
- 12.3 Section 6 explains that the underlying scheme is to be the scheme provided for by the Order unless it is shown that the underlying scheme is a scheme larger than, but incorporating, the scheme provided for by that instrument.
- 12.4 The Order authorises the compulsory acquisition of land and rights needed for the Project. The Project is the "scheme" for the purposes of section 6(A).

13 Further Information

Project Enquiries

- 13.1 Persons with general questions about the Project should please contact the Project Team by telephone on 0800 912 1700 or by email to KingsferryBridge-Project@sgn.co.uk

Negotiations and acquisitions

- 13.2 Owners and occupiers of land affected by the Project who wish to negotiate a voluntary agreement or discuss matters of compensation should contact SGN's appointed land agents, Dalcour Maclaren either in writing to Dalcour Maclaren, Unit 1, Staplehurst Farm, Weston-on-the Green, Bicester OX25 3QU or by telephone on 03331 885374 or by email to Kingsferry@dalcourmaclaren.com

Compensation

- 13.3 Provision is made by statute with regard to compensation for the compulsory acquisition of land and the depreciation in value of properties. More information is given in the series of booklets published by the Department for Housing, Communities and Local Government entitled "Compulsory Purchase and Compensation" listed below:
- a) Booklet No. 1 - Compulsory Purchase Procedure.
 - b) Booklet No. 2 - Compensation to Business Owners and Occupiers.
 - c) Booklet No. 3 - Compensation to Agricultural Owners and Occupiers.
 - d) Booklet No. 4 - Compensation for Residential Owners and Occupiers.
- 13.4 The booklets are available to download for free online at:
www.gov.uk/government/collections/compulsory-purchase-system-guidance

Inspection of Order

- 13.5 A copy of this Statement, the Order and maps are available for inspection at <https://www.sgn.co.uk/sittingbourne-kingsferry-bridge>
- 13.6 The Order, the Order Maps and this Statement of Reasons can also be inspected at the following locations on the following days at the following times:

Location	Times
<p>Minster in Sheppey Library Worcester Close Minster On Sea Sheerness Kent ME12 3NP</p>	<p>Monday: 9.00am – midday</p> <p>Tuesday: 9.00am – 1.00pm & 2.00pm – 5.00pm</p> <p>Wednesday: 9.00am – 1.00pm & 2.00pm – 5.00pm</p> <p>Thursday: Closed</p> <p>Friday: 9.00am – 1.00pm & 2.00pm – 5.00pm</p> <p>Saturday: 9.00am – 1.00pm</p> <p>Sunday: Closed</p>
<p>Sheerness Library Sheerness Gateway 38-42 High Street Sheerness Kent ME12 1NL</p>	<p>Monday: 9.30am – 5.00pm</p> <p>Tuesday: 9.30am – 5.00pm</p> <p>Wednesday: Closed</p> <p>Thursday: 9.30am – 5.00pm</p> <p>Friday: 9.30am – 5.00pm</p> <p>Saturday: 9.00am – 4.00pm</p> <p>Sunday: Closed</p>
<p>Sittingbourne Library Central Avenue Sittingbourne Kent ME10 4AH</p>	<p>Monday: 10.00am – 5.00pm</p> <p>Tuesday: 10.00am – 5.00pm</p> <p>Wednesday: 10.00am – 5.00pm</p> <p>Thursday: 10.00am – 5.00pm</p> <p>Friday: 10.00am – 5.00pm</p> <p>Saturday: 10.00am – 5.00pm</p> <p>Sunday: Closed</p>

- 13.7 SGN will also have carried out the necessary statutory notification and advertisement for the making of the Order. Individual notices will have been served and the newspaper advertisements will have been published in Sheerness Times Guardian and Sittingbourne News on 18 October 2023 and 25 October 2023.
- 13.8 The statutory notices advise that any objections to the Order must be in writing stating the title of the Order and the grounds of objection and addressed to the Secretary of State for Energy Security and Net Zero, Energy Infrastructure Planning Delivery Team, 3-8 Whitehall Place, London, SW1A 2HH by 15 November 2023. The following documents will have been provided to the Secretary of State to accompany SGN's request for confirmation:
- (a) One copy of the sealed Order and two copies of the sealed Order Map (all originals);
 - (b) Two copies of the unsealed Order and two copies of the unsealed Order Map (all certified copies);
 - (c) Two copies of this Statement of Reasons;
 - (d) Certified copies of the notices of making the Order (individual notices and site notices);
 - (e) Certified copies of both newspaper advertisements of the making of the Order and information about the publication dates;
 - (f) General Certificate in support of Order submission; and
 - (g) Protected Assets and Special Category Land Certificate.

14 **Conclusions**

- 14.1 By virtue of section 9 and Schedule 3 of the 1986 Act, SGN may be authorised to purchase compulsorily land and rights in land.
- 14.2 Paragraph 12 of the CPO Guidance states that a compulsory purchase order should only be made where there is a compelling case in the public interest and explains that there are certain fundamental principles that a confirming minister should consider when deciding whether to confirm a compulsory purchase order. These fundamental principles are as follows:
- That SGN as acquiring authority has a clear idea of how it intends to use the land (or rights over land) which it is proposing to acquire (paragraph 13 of the CPO Guidance)***
- 14.3 Following identification of the preferred strategic proposal, further technical studies were undertaken by SGN which included a process to identify the most appropriate routes for the new section of pipeline.
- 14.4 Section 5 of this Statement describes the infrastructure that will comprise the Project and how the land included in the Order will be used during construction and operation of the Project. Column 2 to the Schedule to the Order explains whether it is proposed to acquire land or new rights in respect of the numbered parcels of the Order Land. Where new rights are proposed to be acquired, the description identifies the name of the appropriate rights package. This shows that SGN has a clear idea of how it intends to use the land included in the Order.
- 14.5 All the land and rights in land proposed to be acquired under the Order are required for the purpose of the Project and are reasonable and proportionate. Importantly, SGN is taking a

proportionate approach to land acquisition, in line with policy and guidance, and does not propose to acquire any land or rights beyond those that are reasonably required.

- 14.6 SGN is acquiring rights over land as opposed to the freehold of it. The new rights sought by SGN have been separated into 'packages' based on their purpose and applied to specific plots, as appropriate. Some of the rights are only required for temporary purposes, such as the creation of construction compounds, and will only be exercised during the construction phase. Other rights will be permanent in nature, such as the right to keep installed, operate, maintain and decommission the new sections of pipeline. The rights 'packages' have been tailored in this way to ensure that a proportionate approach to compulsory purchase is taken, and that the impact for affected landowners and occupiers is limited so far as reasonably practicable.

That the Project is unlikely to be blocked by any physical or legal impediments to implementation (paragraph 15 of the CPO Guidance)

- 14.7 As explained in section 9 of this Statement, permitted development rights are being relied upon for the project.
- 14.8 A number of other consents/licences are required which are typical for development of the nature of the Project and SGN is familiar with the necessary scope of works to fulfil these. Should additional consents/licences be identified as being required as the Project's detailed design develops, SGN is confident that these will also be satisfactorily agreed with the relevant authorities.
- 14.9 There are not considered to be any physical or legal impediments to the implementation of the Project.

That all the necessary resources are likely to be available within a reasonable time-scale (paragraphs 13 and 14 of the CPO Guidance)

- 14.10 Section 11 of this Statement explains that the requisite funding has been granted by OFGEM to SGN to meet the construction and land acquisition/compulsory purchase compensation costs associated with the Project as and when required (including any advance payments and blight claims).

That the purposes for which the Order is made justify interfering with the human rights of those with an interest in the land affected and particular consideration should be given to the provisions of Article 1 of the First Protocol to the Convention and, in the case of a dwelling, Article 8 of the Convention (paragraph 12 of the CPO Guidance)

- 14.11 The Order is being promoted in the public interest. SGN considers that the Order will strike the right balance between the public interest in the implementation of the Project and those private rights that will be affected by the Order.
- 14.12 As explained in section 7 of this Statement, each plot of land described in the Order is required for the purposes of the Project. SGN has adopted a proportionate approach in only seeking the acquisition of new rights only.
- 14.13 Those whose interests are purchased under the Order will also be entitled to compensation which will be payable in accordance with the Compulsory Purchase Compensation Code. The Compensation Code has been held to be compliant with Article 8 and Article 1 of the First Protocol to the Convention.

14.14 The requirements of the Human Rights Act 1998 and the Convention, particularly the rights of property owners, have therefore been fully taken into account. There is a compelling case in the public interest for the Order to be made and confirmed, and the interference with the private rights of those affected that would be the inevitable result of the exercise of compulsory purchase powers conferred by the Order would be lawful, justified and proportionate.

That SGN has taken reasonable steps to acquire all of the land and rights included in the Order by agreement (paragraph 2 of the CPO Guidance).

14.15 SGN has taken reasonable steps to secure the necessary rights required for the Project by voluntary agreement, and remains committed to doing so if at all possible. It has agreed 10 Heads of Terms for voluntary agreements out of a total of 12 required and legally exchanged 6 agreements at the time of writing. Only 10 agreements are required because (i) one parcel of land is owned by two separate entities and terms have been agreed separately with each entity and (ii) one interest holder disposed of their parcel following agreement of terms but prior to exchange of option agreement; terms are now being negotiated with the new interest holder (such terms being one of the 12 required in total).

14.16 In order to provide certainty that all the land and rights required for Project can be secured, it has been necessary for SGN to progress the Order in parallel with private treaty negotiations. This is envisaged by paragraph 2 of the CPO Guidance. However, SGN remains committed to continuing to progress negotiations and secure the necessary land and rights by agreement.

14.17 Accordingly, SGN considers that the criteria in the CPO Guidance are satisfied and that there is a compelling case in the public interest for the confirmation of the Order.

14.18 It is therefore requested that the Order is confirmed as made.

Appendix 1 – Land Rights Packages

Name of Rights Package	Rights	Colour on Maps
Pipeline Construction Rights	<p>All rights necessary for the purposes of or incidental to the construction of the new gas pipeline and associated infrastructure / apparatus / equipment, including:</p> <ul style="list-style-type: none"> a) to construct and install the gas pipeline and associated infrastructure / apparatus / equipment within, upon or over the land; b) to test and commission the pipeline and associated infrastructure / apparatus / equipment installed within upon or over the land and to remedy initial faults and defects in it at any time prior to the date on which it is ready for commercial operation; c) to enter the land and carry out archaeological, environmental, ecological, agricultural, contamination, topographical and geotechnical surveys and investigations, including the taking and removal of soil samples and the sinking of boreholes and/or excavation of trial pits, fencing and other like surveys and investigations for purposes in connection with the works to install, operate and maintain the pipeline (and associated infrastructure / apparatus / equipment); d) to carry out such non-intrusive environmental, heritage and/or ecological measures, walk over surveys, works and/or activities for purposes in connection with obtaining a planning consent, a compulsory purchase order and/or the works to install, operate and maintain the pipeline (and associated infrastructure / apparatus / equipment); e) to relocate any species identified in any surveys or investigations as requiring relocation including rights to install and retain on the land such hibernacula as may be required; 	Blue

	<ul style="list-style-type: none"> f) to carry out works required or permitted by a planning permission and/or consent or licences; g) to remove and replace, fell, trim or lop trees, bushes, crops and other vegetation, including the removal of hedgerows; h) to erect and remove fencing; i) to store and stockpile and where necessary use, manage and process plant, machinery, apparatus, and materials (including excavated material) and/or equipment; j) to access the land with or without vehicles, plant and equipment; k) to construct, lay down, use and remove access roads including any necessary temporary bridging, culverting or diversion of water courses and drains; l) to carry out de-watering and drainage works and install, alter, reinstate or remove land drainage systems including new filtration systems; m) to discharge water into existing drains and watercourses; n) to protect and prevent damage to or interference with the pipeline or associated infrastructure / apparatus / equipment and the construction of the same; o) to install, adjust, later and remove cathodic protection posts, aerial markers, valve marker posts field boundary markers and electricity cabinets; p) to prevent any works on or use of the land that would prevent access to the pipeline and associated infrastructure / apparatus / equipment; 	
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	<ul style="list-style-type: none"> q) to erect, create, use and remove welfare facilities including toilets, cabins and electricity generators; r) to install, use and remove artificial lighting; s) to install, use, alter, divert and remove services and utilities; t) undertake landscaping or the construction of roads, cycleways, footpaths and parking areas; u) any works of reinstatement, protected species mitigation, enhancement or monitoring required following the construction and installation of the pipeline and associated infrastructure / apparatus / equipment; and v) break up the surface and excavate so much of the land as may be reasonably necessary, <p>and rights to prevent any works on or use of the land that would prevent the exercise of the aforementioned rights.</p>	
<p>Pipeline Rights</p>	<ul style="list-style-type: none"> a) All rights necessary at all times for the purpose of entering the land with or without vehicles, plant and equipment to: <ul style="list-style-type: none"> i. use, retain, inspect, maintain, repair, alter, renew, replace, supplement, enlarge, connect into, operate, render unusable and remove the pipeline and associated infrastructure / apparatus / equipment; ii. temporarily park a motor and/or a mechanical vehicle on the unbuilt upon parts of the land provided that this shall not obstruct the landowner or any lawful user from accessing the land; and iii. break up the surface and excavate so much of the land as may be reasonably necessary for the purpose of exercising the rights to 	<p>Blue</p>

	<p>use, retain, inspect, maintain, repair, alter, renew, replace, supplement, enlarge, connect into, operate, render unusable and remove the pipeline and associated infrastructure / apparatus / equipment; and</p> <p>b) A full right of shelter and protection and vertical and lateral support for the benefit of the pipeline and associated infrastructure / apparatus / equipment from the land,</p> <p>and rights to prevent any works on or use of the land that would prevent the exercise of the aforementioned rights.</p> <p>The Pipeline Rights may be acquired over such part of the Order Land plots described in Table 1 of the Schedule to the Order as being subject to the acquisition of "Pipeline Rights" as may be necessary PROVIDED THAT the "rights corridor" within which the Pipeline Rights shall be acquired shall not exceed 10 metres PROVIDED FURTHER THAT the width restriction described above shall not apply to the acquisition of the access rights described at paragraph a) which rights may be acquired over such part of the Order Land plots described in Table 1 of the Schedule to the Order as being subject to the acquisition of "Pipeline Rights" as may be necessary</p>	
Working Area Rights	<p>All rights necessary to erect, create, use and vacate a working area for the purposes of or incidental to the construction of the new gas pipeline and associated infrastructure / apparatus / equipment or the decommissioning of any existing gas pipeline and associated infrastructure / apparatus / equipment including rights to:</p> <p>a) erect, create, use and remove cabins and offices and welfare facilities including toilets and electricity generators;</p>	Blue

	<ul style="list-style-type: none"> b) store, stockpile and where necessary use, manage and process vehicles, plant, machinery, apparatus, materials (including excavated material) and/or equipment; c) access the land with or without vehicles, plant, machinery, apparatus, equipment, materials and personnel; d) fence, erect hoardings or signage or otherwise secure the working area; e) carry out de-watering and drainage works and install, alter or reinstate land drainage systems; f) discharge water into existing drains and watercourses; g) install, use and remove artificial lighting; h) install, use, alter, divert and remove services and utilities; and i) carry out works to reinstate the land once the working area has been vacated, <p>and rights to prevent any works on or use of the land that would prevent the exercise of the aforementioned rights.</p>	
Access Rights	<p>All rights necessary at all times to access the land and adjoining land with or without vehicles, plant, machinery, apparatus, equipment, materials and personnel for the purposes of:</p> <ul style="list-style-type: none"> a) using, retaining, inspecting, maintaining, repairing, altering, renewing, replacing, supplementing, enlarging, connecting into, operating, rendering unusable and removing the pipeline and associated infrastructure / apparatus / equipment; 	Blue

	<ul style="list-style-type: none"> b) decommissioning the existing pipeline and associated infrastructure / apparatus / equipment; c) relocating any species identified in any surveys and investigations as requiring relocation; and d) accessing the foreshore and erecting temporary scaffolding from the same, <p>including rights to carry out works to facilitate such access, including rights to access and enter onto any bridges or bridge abutments on the land and rights to prevent any works on or use of the land that would prevent the exercise of the aforementioned rights.</p>	
Decommissioning Rights	<p>All rights necessary to decommission any existing pipeline and associated infrastructure / apparatus / equipment on the land including:</p> <ul style="list-style-type: none"> a) rendering or making safe the existing pipeline and associated infrastructure / apparatus / equipment; b) removing any debris from the land that has been left there as a result of any decommissioning works; c) any remediation works required to decommission the existing pipeline and associated infrastructure / apparatus / equipment; d) to store and stockpile and where necessary use, manage and process plant, machinery, apparatus, and materials (including excavated material) and/or equipment; e) fence, erect hoardings or signage or otherwise secure the land; f) access the land with or without vehicles, plant, machinery, apparatus, equipment, materials and personnel; 	Blue

	<p>g) to erect, maintain, use, dismantle and remove scaffolding; and</p> <p>h) any other works to clear up and reinstate the land,</p> <p>and rights to prevent any works on or use of the land that would prevent the exercise of the aforementioned rights.</p>	
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Appendix 2 – Schedule of Engagement

Plot	Plot Owner	Status of Negotiations
1; 19; 53	John Nicholas Plumtre	Negotiations commenced in March 2022. Heads of Terms were agreed on 1 August 2022 and an option agreement for the grant of a licence was exchanged on 22 August 2023.
2; 3; 4; 5; 6; 7; 8; 9; 10; 12; 13; 15; 16; 17; 18; 19; 20; 21; 22; 23; 25; 30; 53; 62	National Highways Limited	Negotiations commenced in July 2021 and Heads of Terms were agreed on 5 August 2022. Documents have been issued to National Highways Limited's solicitors and negotiations on the final form of documentation are ongoing.
9; 11; 13; 14; 20; 22; 24; 26; 27; 28; 29; 30; 31; 32; 34; 54; 55; 58; 59; 60; 61; 62; 69	Kent County Council	Negotiations commenced in July 2021. Heads of Terms were agreed on 4 August 2022 and an option agreement for the grant of rights was exchanged on 10 March 2023.
19; 53; 54; 56	Queenborough Fishery Trust	Negotiations commenced in July 2021. Heads of Terms were agreed on 31 May 2022 and an option agreement for the grant of rights was exchanged on 27 April 2023.
37	Kevin Witt Steven John Moss Dennis Frank Hills Nicholas Crittenden	A site meeting took place on 25 September 2023 and Heads of Terms were issued on 10 October 2023.
34; 35; 36; 46	Knauf UK GMBH	Negotiations commenced in July 2021 alongside the joint landowner, Dooba Investments III Limited and Heads of Terms were agreed on 20 July 2022. Documents have been issued to Knauf UK GMBH's solicitors and negotiations are ongoing following Outback UK Propco I A Limited's purchase of Dooba Investments III Limited's interest in the property.
34; 35; 36; 46	Dooba Investments III Limited Outback UK Propco I A Limited	Negotiations commenced in July 2021 alongside the joint landowner, Knauf UK GMBH and Heads of Terms were agreed on 20 July 2022. Documents were issued to Dooba Investments III Limited's solicitor and negotiations were ongoing. Dooba Investments III Limited have since transferred their interest in the property to Outback UK Propco I A Limited. Negotiations with Outback UK Propco I A Limited are ongoing and revised Heads of Terms were circulated by Outback UK Propco I A Limited's solicitor on 9 October 2023.
35; 38; 39; 40; 41; 42; 43; 44; 45; 47; 48; 49	E.J. Mackelden & Sons (Bobbing) Limited	Negotiations commenced in July 2021. Heads of Terms were agreed on 15 July 2022 and an option agreement for the grant of rights was exchanged on 31 March 2023.
49; 50; 51; 57	Port of Sheerness Limited	Negotiations commenced in October 2021. Heads of Terms were agreed on 21 February 2022 and an option agreement for the grant of rights was exchanged on 31 March 2022.

51; 52; 78; 79; 80; 81; 82	Stephen William Attwood Lilian Joyce Attwood James Frank Attwood EJN's Property Investments Limited	<p>Through the land referencing process, it was identified that Stephen William Attwood, Lilian Joyce Attwood and James Frank Attwood have completed a transfer of their interest in the land to EJN's Property Investments Limited.</p> <p>Negotiations commenced with EJN's Property Investments Limited in July 2021 and Heads of Terms were agreed on 4 November 2021. Documents have been issued to EJN's Property Investments Limited's solicitors and negotiations on the final form of documentation are ongoing.</p> <p>The latest correspondence between the project and EJN's Property Investments Limited was a letter from SGN's agents dated 12th September 2023.</p>
63; 64; 65; 66; 67; 68; 72; 73; 74; 75; 76; 77	EJN's Property Investments Limited	<p>Negotiations commenced with EJN's Property Investments Limited in July 2021 and Heads of Terms were agreed on 4 November 2021. Documents have been issued to EJN's Property Investments Limited's solicitors and negotiations on the final form of documentation are ongoing.</p> <p>The latest correspondence between the project and EJN's Property Investments Limited was a letter from SGN's agents dated 12th September 2023.</p>
82; 83	E.C.T. (Conservation) Limited	<p>Negotiations commenced in August 2021. Heads of Terms were agreed on 17 August 2021 and an option agreement for the grant of a licence was exchanged on 23 September 2022.</p>
31; 32; 33; 34; 35; 37; 38; 39; 40; 54; 55; 62; 64; 69	Network Rail Infrastructure Limited	<p>SGN has an overarching licence agreement dated 7 March 2014 in place with Network Rail Infrastructure Limited (NR) which regulates the framework for the decommissioning of SGN's pipelines. The licence obligations are triggered upon SGN giving NR not less than 12 months' prior written notice expiring on the anniversary of 1 January 2009. Prior to expiry of that notice SGN must:</p> <ul style="list-style-type: none"> • remove the relevant pipeline; and • execute any works for the protection of the railway as NR require; and • comply with NR's engineering conditions (being such conditions as NR may properly require for the safety, protection or operation of its railway) and/or pipeline conditions, which require (amongst other things): <ul style="list-style-type: none"> ○ NR's prior written approval to the commencement of the works; ○ SGN pre-planning entry onto NR's land as far in advance as possible before hand; ○ any works to be carried out to NR's satisfaction and (if required) under its supervision; and

		<ul style="list-style-type: none">○ compliance with any such stipulations, directions and requirements as NR shall prescribe. <p>SGN and Network Rail are in correspondence to agree the necessary asset protection provisions of the works.</p>
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