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HIGH SPEED TWO INFORMATION PAPER

C12: THE COMMUNITY AND ENVIRONMENT FUND AND BUSINESS AND LOCAL ECONOMY FUND

This paper outlines information relating to the Community and Environment Fund (CEF) and the Business and Local Economy Fund (BLEF).

It will be of particular interest to those potentially affected by the Government's proposals for high speed rail.

This paper will be updated as required. If you have any queries about this paper or about how it might apply to you, please contact the HS2 Helpdesk in the first instance.

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C12: THE COMMUNITY AND ENVIRONMENT FUND AND BUSINESS AND LOCAL ECONOMY FUND

1. Introduction

- 1.1. High Speed Two (HS2) is the Government's proposal for a new, high speed north-south railway. The proposal is being taken forward in two phases: Phase One will connect London with Birmingham and the West Midlands and Phase Two will extend the route to Manchester, Leeds and beyond.
- 1.2. HS2 Ltd is the non-departmental public body responsible for developing and promoting these proposals. The company works to a Development Agreement made with the Secretary of State for Transport.
- 1.3. In November 2013, HS2 Ltd deposited a hybrid Bill¹ with Parliament to seek powers for the construction and operation of Phase One of HS2 (sometimes referred to as 'the Proposed Scheme'). The Bill is the culmination of nearly six years of work, including an Environmental Impact Assessment (EIA), the results of which were reported in an Environmental Statement (ES) submitted alongside the Bill. The Secretary of State has also published draft Environmental Minimum Requirements (EMRs), which set out the environmental and sustainability commitments that will be observed in the construction of the Proposed Scheme.
- 1.4. The Bill is being promoted through Parliament by the Secretary of State for Transport (the 'Promoter'). The Secretary of State will also appoint a body responsible for delivering the Proposed Scheme under the powers granted by the Bill.
- 1.5. This body is known as the 'nominated undertaker'. There may well be more than one nominated undertaker – for example, HS2 Ltd could become the nominated undertaker for the main railway works, while Network Rail could become the nominated undertaker for works to an existing station such as Euston. But whoever they are, all nominated undertakers will be bound by the obligations contained in the Bill and the policies established in the EMRs.
- 1.6. These information papers have been produced to explain the commitments made in the Bill and the EMRs and how they will be applied to the design and construction of the Proposed Scheme. They also provide information about the Proposed Scheme itself, the powers contained in the Bill and how particular decisions about the project have been reached.

¹The High Speed Rail (London – West Midlands) Bill, hereafter 'the Bill'.

2. Overview

- 2.1. This information paper provides details of the Community and Environment Fund (CEF) and the Business and Local Economy Fund (BLEF), which were announced by the Government in October 2014.
- 2.2. A total of £30m has been made available for these two funds, exclusive of administration costs. This is in addition to the comprehensive mitigation outlined in the Bill and ES to address the environmental impacts of Phase One. For examples see Information Paper E2: Ecological Impact, and Information Paper E6: Mitigation of Significant Community Effects on Public Open Space and Community Facilities. The ES also sets out wide-ranging measures which will enable local people and businesses to obtain employment and contracts arising from the construction and operation of Phase One. For further information on these measures, see Information Paper G4: Approach to Training and Employment.

3. The Community and Environment Fund

- 3.1. The objective of the CEF is:

To add benefit over and above committed mitigation and statutory compensation to communities along the route that are demonstrably disrupted by the construction of HS2. The CEF Local will focus on quality of life and environment in individual communities, while the CEF Strategic will focus on large projects across several communities and address strategic rather than purely local concerns. Wherever possible, the CEF fund will leave a sustainable legacy.
- 3.2. There will be two types of CEF grant. The first is CEF Local, this grant will fund smaller projects (up to a maximum of £75,000 per project) which will benefit quality of life for individual communities. The second is CEF Strategic, these larger grants (from £75,000 up to a maximum of £1 million per project) will provide a legacy by supporting projects which benefit multiple communities along the Phase One route. These grants may fund projects that cross a number of local authority areas. Both capital and revenue grants will be available. Initiatives the CEF may support might include:
 - improved pedestrian, equestrian, or cycle access;
 - landscape and nature conservation enhancement projects which increase biodiversity;
 - enhancement or replacement of sports and recreational facilities;
 - improved access and enhancements to public open space;
 - provision of enhanced or new community facilities; and
 - refurbishment/re-use of historic buildings and monuments.
- 3.3. Applications for both CEF grants will be invited from community-based voluntary organisations, charitable bodies, social enterprises, schools and local authorities.

4. The Business and Local Economy Fund

4.1. The objective of the BLEF is:

To add benefit over and above committed mitigation and statutory compensation to support local economies that are demonstrably disrupted by the construction of HS2.

4.2. Initiatives BLEF may support might include:

- schemes to improve the local public realm, especially in retail and tourist areas;
- improved local cycling and pedestrian access to local economic centres;
- general promotional activity;
- creating and running events that increase footfall or promote business activity during seasonal periods; and
- projects that aim to increase tourist visits to an area.

4.3. It will be for local business support organisations, including local authorities, to identify appropriate projects which will help maintain business activity in local communities. Applications will be invited for capital or revenue grants from £10,000 up to a maximum of £1 million.

5. Governance and management of the Funds

5.1. The governance and management arrangements for the fund have been developed following consultation with local authorities, local enterprise partnerships and environmental NGOs.

5.2. The management of the funds will be outsourced to an existing grant-management body, which will be selected through a competitive process. This body will lead on the promotion of the funds, and work with bidders and potential bidders to develop applications. It will finalise the detailed eligibility criteria, which will be agreed by the Secretary of State. It will undertake the assessment of bids against these criteria and will be responsible for making awards under £75,000.

5.3. For decisions on grant awards above £75,000, the grant-making body will receive the applications and put these to an independent panel, appointed by HS2 Ltd. Independent members of the Panel will have experience in delivery of successful community-led environmental projects, a track record in providing advice and support to small and medium size businesses and experience of managing local government or third sector grant programmes. The Panel will make recommendations to the Secretary of State on whether applications should be accepted. The final decision will be made by a senior civil servant in the Department for Transport with delegated authority from the Secretary of State. If the value of the grant request exceeds £250,000 or the senior civil servant disagrees with the Panel's recommendation, then the application will be decided by a Minister.

- 5.4. The grant-management body will be responsible for overseeing the payment of grants, and monitoring the progress of successful projects.

6. Eligibility for the Fund

- 6.1. Detailed criteria and guidance for applicants will be finalised by the grant-management body. All applicants will be required to demonstrate that proposed projects will benefit communities or businesses affected by temporary or permanent disturbance, arising from construction works.
- 6.2. Grants will be awarded on the basis of the quality of the projects as opposed to ensuring a parity of distribution of the funds across all the affected communities. However, to ensure the inclusion of projects from affected communities across the length of the route, the grant-management body will support communities to help encourage and develop bids.
- 6.3. In the assessment of applications additional marks will be awarded to eligible projects which will benefit communities which lie within 1km of the route.

7. Timing

- 7.1. It is envisaged that the Chair of the Independent Panel will be appointed by December 2015, and the appointment of other members will take place in early 2016. Once the panel has been established, we will work in collaboration with members to appoint the grant-management body with the aim that detailed guidance for applicants will be published in mid-2016, in advance of a first call for applications.
- 7.2. The first grants from both funds will be awarded once the Bill has received Royal Assent.
- 7.3. Our expectation is that both the CEF and BLEF grants will need to be fully spent by the end of the first year of operation of Phase One.

8. More information

- 8.1. More detail on the Bill and related documents can be found at: www.gov.uk/HS2
- 8.2. Further information on the funds will be published as the detail is developed and will be found at: www.gov.uk/HS2