

Title: Safeguarding Directions for development affecting the route and associated works for the High Speed Two rail project – Phase 2b: HS2 Crewe to Manchester, West Midlands to Leeds and beyond Lead department or agency: Department for Transport Other departments or agencies: HS2 Ltd	Impact Assessment (IA)	
	Date: 13/07/17	
	Stage: Final	
	Source of intervention: Domestic	
	Type of measure: Other	
Contact for enquiries: Joshua Kossoff (DfT), Ruth Bootland (DfT)		
Summary: Intervention and Options		RPC Opinion: Not Applicable

Cost of Preferred (or more likely) Option			
Total Net Present Value	Business Net Present Value	Net cost to business per year (EANCB on 2009 prices)	In scope of One-In, Two-Out? Measure qualifies as
£-9.2m	NQ	NQ	No N/A

What is the problem under consideration? Why is government intervention necessary?

This Impact Assessment relates specifically to safeguarding of the entire High Speed Two (HS2) Phase 2b route. The Secretary of State for Transport has decided to update safeguarding directions for the entire 2b route in order to prevent conflicting development that may otherwise affect the construction or operation of the railway, and avoid the associated costs to developers and the HS2 project. Safeguarding is a technical term for an established part of the planning system that protects large-scale infrastructure projects, such as roads or railways, from conflicting developments. It provides a statutory mechanism under the Town and Country Planning (Development Management Procedure) (England) Order 2015, by which local planning authorities (LPAs) must consult HS2 Ltd on new and undecided planning applications which fall within the safeguarded area, and provides HS2 Ltd with a statutory remit to comment on such applications. The issuing of these safeguarding directions also triggers statutory blight provisions made under the Town and Country Planning Act 1990, whereby owner-occupiers of properties within the safeguarded area who want to move may apply to sell their property to the Government by serving a blight notice.

What are the policy objectives and the intended effects?

HS2 Ltd has examined many options for phase 2b of HS2 across five criteria: constructability, sustainability, journey time, cost, and demand. The number of options considered reduced through each sifting phase and there was a corresponding increase in the detail of design and depth of appraisal. HS2 Ltd was able to rule out many route options due to cost, engineering feasibility or sustainability concerns. Our review of relevant information (including responses to the November 2016 HS2 Crewe to Manchester, West Midlands to Leeds: Route Refinement Consultation which closed 9 March 2017, July 2013 consultation (*High Speed Rail: Investing in Britain's Future: Consultation on the route from the West Midlands to Manchester, Leeds and beyond*); Sir David Higgins' reports; and analysis conducted by HS2 Ltd) indicates that only the full Y network can deliver the longer term capacity, connectivity and growth benefits needed to rebalance the UK economy. Alongside the Phase 2b announcement, it is the Government's view that it is appropriate to update safeguarding for the entire Phase 2b route in order to minimise the risk to the project from conflicting developments and their associated costs to developers and HS2 Ltd.

What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base)

Option 0: do nothing. This is the baseline option and could result in developments that conflict with the construction or operation of the railway, thereby potentially imposing costs on developers as well as HS2 Ltd.

Option 1: introduce a safeguarding zone, as set out in the relevant maps at www.gov.uk/hs2, either side of the route from Crewe to Manchester in the West and from Birmingham to Leeds in the East (Phase 2b) to prevent conflicting development within this area. Safeguarding has been determined by HS2 Ltd's current engineering plans, where developments have the potential to impact on the construction or operation of HS2. Safeguarding directions will require LPAs to consult HS2 Ltd on planning applications they receive in relation to land within the zone, including those undetermined when safeguarding directions for the preferred route are issued. This provides certainty to developers and ensures that conflicting development is not pursued.

Will the policy be reviewed? No.(Department for Communities and Local Government is responsible for safeguarding policy), set review date: Not applicable					
Does implementation go beyond minimum EU requirements?			N/A		
Are any of these organisations in-scope? If Micros not exempted set out reason in Evidence Base.	Micro No	< 20 No	Small No	Medium No	Large No
What is the CO ₂ equivalent change in greenhouse gas emissions? (Million tonnes CO ₂ equivalent)			Traded: 0	Non-traded: 0	

I have read the Impact Assessment and I am satisfied that (a) it represents a fair and reasonable view of the expected costs, benefits and impact of the policy, and (b) that the benefits justify the costs.

Signed by the responsible Minister:

 Date: 17/7/17

Summary: Analysis & Evidence

Policy Option 1

Description: Introduction of a safeguarding zone as set out in the maps accompanying the safeguarding directions.

FULL ECONOMIC ASSESSMENT

Price Base Year 2017	PV Base Year 2017	Time Period Years 7	Net Benefit (Present Value (PV)) (£m)		
			Low: £-6.9m	High: £-9.2m	Best Estimate: £-9.2m

COSTS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	NA	£0.9m	£6.9m
High		£1.2m	£9.2m
Best Estimate		£0m	£1.2m

Description and scale of key monetised costs by 'main affected groups'

There will be additional costs to the 29 district LPAs to whom these safeguarding directions have been issued who will have to assess whether planning applications they receive should be referred to HS2 Ltd. There will be costs to HS2 Ltd of maintaining properties in the condition required for the Government to rent them once acquired until such time they are either required for the construction of the railway, or otherwise disposed of (resale). In the low scenario, the total cost is £6.9m (including £63k in admin costs). In the high scenario, the total cost is £9.2m (including £9.2m in admin costs). These figures are in 2017 prices and PV terms.

Other key non-monetised costs by 'main affected groups'

Some additional administrative costs may be incurred by HS2 Ltd, but as these are thought to be small and are difficult to quantify, they have not been monetised.

BENEFITS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	NQ		
High			
Best Estimate			

Description and scale of key monetised benefits by 'main affected groups'

We do not have the information to be able to monetise the benefits to HS2 Ltd and land-owners by issuing safeguarding directions as there is no information on the nature of future planning applications within the safeguarding zone.

Other key non-monetised benefits by 'main affected groups'

Even if safeguarding directions were not in place, LPAs are likely to take account of the impact of HS2 in their planning decisions. However, without formal safeguarding statutes, taking account of HS2 will be challenging and LPAs will incur costs.

Key assumptions/sensitivities/risks	Discount rate	3.5%
The safeguarding zone may not fully reflect the final route, due to engineering design refinement as the scheme progresses. Therefore, there remains a small risk that the safeguarding zone may not protect the final route from conflicting development and associated costs. In addition, house purchases in the original safeguarding zone may prove to be nugatory should the route be moved, though these purchases would prove assets and offset any purchase costs.		

BUSINESS ASSESSMENT (Option 1)

Direct impact on business (Equivalent Annual) £m:			In scope of OITO?	Measure qualifies as
Costs: NQ	Benefits: NQ	Net: NQ		

Evidence Base (for summary sheets)

Background

1. This Impact Assessment sets out evidence for the impact of issuing safeguarding directions for the HS2 rail project - Phase 2b: Crewe to Manchester, West Midlands to Leeds and beyond). This follows the public consultations HS2 Crewe to Manchester, West Midlands to Leeds: Route Refinement Consultation 2016 and *High Speed Rail: Investing in Britain's Future: Consultation on the route from the West Midlands to Manchester, Leeds and beyond* 2013 . To support the development of the route there has also been a number of reports such as *High Speed Two: Get Ready: A report to the Government by the HS2 Growth Taskforce* (March 2014); and reports by Sir David Higgins focusing on specific locations or issues on the route:
 - *HS2 Plus: A report by David Higgins* (March 2014)
 - *Rebalancing Britain: From HS2 towards a national transport strategy* (October 2014)
 - *The Yorkshire Hub: An interim report on the redevelopment of Leeds station*(November 2015)
 - *HS2: Changing Britain* (February 2016)
 - *Sheffield and South Yorkshire Report 2016* (July 2016)
2. DfT has also been working to optimise connectivity within the North and the Midlands as well as between the North and South East. We have been concerned to ensure that the station locations have local consensus and are integrated within local connectivity and development plans.

Rationale for intervention

3. The rationale for intervention is to ensure that the land, which is expected to be needed for construction or operation of the HS2 route between Crewe and Manchester in the West and Birmingham and Leeds in the East, is not developed further in a manner that would increase costs and risks to building or operating the HS2 railway. To protect the proposed alignment of a road or railway from conflicting development, the Secretary of State can issue a direction, known as a safeguarding direction, under Articles 18(4), 31(1) and 34(8) of the Town and Country Planning (Development Management Procedure) (England) Order 2015. Updated Safeguarding Directions for the entire 2b route will be issued to LPAs by the Secretary of State for Transport. Those LPAs will then be required to consult with HS2 Ltd when determining planning applications for land within the limits shown on the safeguarding plans attached to the directions, except where that type of application is exempted. The safeguarding directions also put in place statutory blight provisions made under the Town and Country Planning Act 1990, whereby owner-occupiers of properties within the safeguarded area who want to move may apply to sell their property to the Government by serving a blight notice.

Policy objective

4. The primary objective is to prevent development that would hamper HS2 Ltd's ability to build and operate the route from Crewe to Manchester in the West and Birmingham to Leeds in the East or increase the costs or risks of doing so. Secondary objectives include minimising the administrative burden for LPAs and reducing cost and risk for landowners along the line of route who may otherwise embark on unnecessary development.
5. The DfT has received advice from HS2 Ltd stating that there is a high risk of conflicting development along the entire Phase 2b route. The Secretary of State has therefore decided to safeguard the whole route now in order to prevent conflicting development.

Description of options considered (including do minimum)

Option 0 - do nothing.

6. This is the baseline option.
7. The main impact of not issuing safeguarding directions would be that the land that may be needed for the construction or operation of HS2 could be developed further in a manner that would increase costs and risks to the HS2 project.
8. There could be impacts for developers, who might invest in developments that may subsequently be subject to compulsory purchase and, in such cases, additional costs and risks for HS2 Ltd.

Option 1 - Introduce safeguarding directions (preferred option).

9. Option 1, the preferred option, is to introduce the updated safeguarding zone for the whole of the preferred Phase 2b route as set out in the maps published alongside this Impact Assessment.
10. HS2 Ltd's approach to safeguarding areas from Crewe to Manchester in the West, and Birmingham to Leeds in the East is broadly similar to that originally adopted for Phase One (July 2013) and Phase 2a (November 2015). As with Phase One and Phase 2a, the approach has been applied consistently across the route. HS2 Ltd considers the safeguarded area offers a balance between the need to protect land and property that may be needed for construction and operational purposes, and the legitimate rights of landowners not to have their right to develop infringed unnecessarily. A narrower safeguarding zone would run a significantly higher risk that some subsequent developments may conflict with HS2 and result in developers incurring costs preparing developments that are not compatible with the HS2 programme. A wider zone would place a greater restriction on development and administrative burden on LPAs without significantly reducing the risks to the project. The acquisition of land and property under the statutory blight regime that are unlikely to be required for the construction or operation of the railway would not represent prudent use of taxpayers' money unless it is necessary to protect the route.

Monetised and non-monetised costs and benefits of each option (including administrative burden)

Option 0 - do nothing

11. This is the option against which option 1 is compared.
12. The main impact of not safeguarding the Phase 2b route would be the administrative burden on HS2 Ltd to monitor planning applications submitted to relevant LPAs to determine whether it would be necessary to object to them. In addition, there would be an additional administrative burden on LPAs which would be expected to consider whether HS2 was a relevant issue to consider in determining a planning application (whether HS2 Ltd objected or not).
13. There could be negative impacts for developers, who might invest in projects that may in future be subject to compulsory purchase, and would increase costs and risk for HS2 Ltd.

Option 1 - Introduce a safeguarding zone as shown in the maps published alongside the safeguarding directions

Benefits

14. The benefits of safeguarding are that it will reduce the risk of developers potentially making investments in developments that subsequently cannot progress or have to be compulsorily purchased if HS2 ultimately proceeds (at a cost to the taxpayer). Compulsory purchase rules

include compensation for genuine development potential so safeguarding should not lead to landowners failing to benefit from potential compensation.

15. We do not believe it is possible to estimate these benefits with any degree of accuracy, as it is not possible to predict the level, scale or type of potential development within the safeguarded area that the safeguarding directions might ultimately affect.
16. In addition, safeguarding increases certainty for LPAs, HS2 Ltd, and landowners along the line of route. Safeguarding will minimise the disruption caused by HS2 to the planning process by giving landowners a clear mechanism for establishing whether their development plans might come into conflict with the government's plans regarding HS2.
17. Safeguarding will also trigger statutory blight processes that will provide eligible landowners, within the safeguarded area, access to compensation on compulsory purchase terms ahead of compulsory purchase powers being in place. Again, it is not possible to quantify the scale of this added benefit of security and certainty to such property-owners, as it will depend on their personal circumstances.

Costs

LPA Administration Costs

18. The safeguarding directions issued by the Secretary of State will require LPAs to consult with HS2 Ltd when determining planning applications for land within the limits shown on the safeguarding plans that are attached to the Directions. Although some of this work may occur even in the absence of safeguarding (and indeed it is likely that LPAs would have to devote resource to deal with the uncertainty inevitable if Option 0 was chosen), we consider the fact that directions have been issued would place a small additional administrative burden on both LPAs and HS2 Ltd.
19. We have estimated the administrative costs to the LPAs along the preferred Phase 2b route. These reflect the additional costs associated with the notification process for planning applications and requirement for LPAs to consult with HS2 Ltd for each case.
20. In the absence of better information, we have assumed that safeguarding increases the time it takes for a local authority planning officer to deal with a planning application within the safeguarding zone by three hours. This assumption is consistent with that used as part of the Phase One and 2a consultation and associated decision on safeguarding. The planning officer would be responsible for assessing whether planning applications received related to land within the safeguarded area, consulting HS2 Ltd and addressing any queries raised by HS2 Ltd.
21. We have assumed that the average hourly basic pay of a local planning authority officer is £16.2 per hour based on analysis of the Annual Survey of Hours and Earnings¹ and have up-rated this by 40 percent to allow for pensions, national insurance contributions and other overheads.
22. The safeguarding zone along the Western Leg from Crewe to Manchester and the Eastern Leg from the West Midlands to Leeds is approximately 3300 hectares, the vast majority of which is in rural area. Assuming that planning applications occur at a rate of 0.04 per hectare (based on analysis of DCLG planning statistics from year ending March 2016 in the local area), the total number of applications per annum within safeguarded areas has been assumed to be 134 (see Table 1). This is equivalent to approximately one application per LPA every two months.
23. DCLG only provides total planning application data split at local authority level and not by rural/urban split. The rate of applications is likely to be lower in the areas affected, as the route

¹See: <http://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/regionbypublicandprivatesector/ashetable25> This is equivalent to the mean gross hourly pay for an employee categorised as working in 'public administration and defence'.

would predominantly run through rural areas where one would expect proportionally less planning applications. To reflect this, a scenario has also been calculated where the number of applications per annum is assumed to be 67 (see Table 2), which is half that derived from the DCLG's planning statistics.

24. Table 1 below outlines the profile of staff administrative costs over time. The net present cost has been calculated using the HM Treasury Green Book discount rate of 3.5%. The costs have been assumed to apply right up to the year in which the scheme opens. While in practice safeguarding directions are likely to be less relevant in the latter years as construction will have finished, for simplicity we have assumed a flat application profile throughout the period.

Table 1 - HS2 property administrative costs (2017 prices) High Scenario

Year	Applications	GDP growth*	Cost per hour (nominal)	Total Cost	Present value
2016	134	2.0	£23	£9,467	£9,467
2017	134	2.2	£24	£9,495	£9,495
2018	134	2.1	£24	£9,504	£9,182
2019	134	2.1	£25	£9,522	£8,889
2020	134	2.1	£25	£9,532	£8,597
2021	134	2.4	£26	£9,562	£8,333
2022	134	2.4	£26	£9,586	£8,071
2023	134	2.4	£27	£9,602	£7,811
2024	134	2.4	£28	£9,611	£7,554
2025	134	2.5	£28	£9,630	£7,313
2026	134	2.5	£29	£9,649	£7,080
2027	134	2.5	£30	£9,668	£6,854
2028	134	2.5	£31	£9,687	£6,635
2029	134	2.5	£31	£9,706	£6,423
2030	134	2.5	£32	£9,725	£6,218
2031	134	2.5	£33	£9,744	£6,019
2032	134	2.5	£34	£9,763	£5,827
2033	134	2.5	£35	£9,782	£5,641
Total (undiscounted)				£173,233	
Net Present Value					£135,410

Table 2 - HS2 property administrative costs (2017 prices) Low Scenario

Year	Applications	GDP growth*	Cost per hour	Total Cost	Present value
2016	67	2.0	£23	£4,733	£4,733
2017	67	2.2	£24	£4,747	£4,747
2018	67	2.1	£24	£4,752	£4,591
2019	67	2.1	£25	£4,761	£4,445
2020	67	2.1	£25	£4,766	£4,299
2021	67	2.4	£26	£4,781	£4,166
2022	67	2.4	£26	£4,793	£4,035
2023	67	2.4	£27	£4,801	£3,906
2024	67	2.4	£28	£4,806	£3,777
2025	67	2.5	£28	£4,815	£3,657
2026	67	2.5	£29	£4,824	£3,540
2027	67	2.5	£30	£4,834	£3,427
2028	67	2.5	£31	£4,843	£3,317
2029	67	2.5	£31	£4,853	£3,212
2030	67	2.5	£32	£4,862	£3,109
2031	67	2.5	£33	£4,872	£3,010
2032	67	2.5	£34	£4,881	£2,914
2033	67	2.5	£35	£4,891	£2,821
Total (undiscounted)				£86,616	
Net Present Value					£67,705

**Source: OBR March 2016 Economic and fiscal outlook

Cost of Maintaining Properties

25. Safeguarding directions also trigger something known as statutory blight. This means that property owners within the safeguarded area may be eligible to serve a blight notice asking the Secretary of State for Transport to buy their property prior to it being needed for construction. Safeguarding directions issued for Phase 2b may therefore result in earlier Government property purchases than would otherwise be the case.
26. These earlier purchases impose a cost to Government associated with managing the properties for a longer period. It is expected that the Government will, in the intervening period between the year each property is acquired and when they will need to be vacated to permit construction, let the large majority of properties. During this intervening period, the Government is required to incur a number of running costs to maintain the properties in a condition that permits them to be rented such as: condition surveys, electrical surveys, gas appliances surveys, and any necessary upgrade works. Therefore, due to safeguarding these costs will be incurred earlier and for a longer period.
27. Estimates of the annual cost to Government of managing properties were provided by HS2 Ltd's property consultants CBRE, and amount to average annual 'ongoing' running costs of £2,548 per property for Phase One. We have conservatively assumed that these costs per property will be no different for Phase 2b. The additional costs generated because of safeguarding reflect the longer period Government now holds the properties it requires for HS2.
28. CBRE also estimates that the Government will incur 'one off' costs in purchasing properties worth £12,228 per property. While these costs would be incurred whether or not safeguarding were introduced, the issue of safeguarding directions by the Secretary of State brings Government purchases, and therefore the associated costs, forward in time. It has therefore been assumed

costs are incurred over the period 2016-22, rather than only in 2022 when compulsory purchase powers for Phase 2b are assumed to be in place.

29. To reflect expected efficiency savings in the costs of managing properties as more properties are purchased, a low cost scenario has also been modelled in which costs are 25 per cent lower than those estimated by CBRE.
30. The Government will obtain rental income from the properties that it owns and manages, however as this income reflects a transfer from the occupier of the property to Government it is not incorporated in this analysis.
31. To be eligible to issue blight notices, a property needs to meet a range of criteria such as being an owner-occupied residential property or a small business property. Our estimates of the number of properties issuing blight notices are based on recently updated property count estimates provided by HS2 Ltd. A total of 1,018 blight notices are assumed between 2016-2022. This is a conservative assumption, as we may not require all the safeguarded properties for the construction of the railway. Based on the Phase One experience, we further estimate that a greater proportion of blight notices are likely to occur within the first two years. For simplicity the running costs and 'one off costs' were assumed the same for all properties.
32. In the 'do nothing' scenario, all the running costs are assumed to be incurred when compulsory purchase powers are assumed to be in place in 2022. However, with safeguarding a portion of these costs will be brought forward in time as additional costs are incurred between 2016 and 2021.

Table 3 - Profile of running costs under Do Nothing and Do Something (safeguarding) scenarios (2017 prices) High scenario

Running costs – High scenario						
Year	Do Nothing			Do Something		
	Blight notices	One-off costs	Ongoing costs	Blight notices	One-Off Costs	Ongoing costs
2016	0	£0	£0	52	£639,536	£133,237
2017	0	£0	£0	245	£2,992,113	£756,593
2018	0	£0	£0	180	£2,204,114	£1,215,784
2019	0	£0	£0	180	£2,204,114	£1,674,974
2020	0	£0	£0	180	£2,204,114	£2,134,165
2021	0	£0	£0	180	£2,204,114	£2,593,355
2022	1,018	£12,448,104	£2,593,355	0	£0	£2,593,355
Total	1,018	£12,448,104	£2,593,355	1,018	£12,448,104	£11,101,463
NPV		£10,480,970	£2,183,535		£11,727,533	£9,996,495
Cost implications of safeguarding (NPV, £)					£1,246,564	£7,812,960

Table 4 - Profile of running costs under Do Nothing and Do Something (safeguarding) scenarios (2017 prices) Low scenario

Running costs – Low scenario						
Year	Do Nothing			Do Something		
	Blight notices	One-off costs	Ongoing costs	Blight notices	One-Off Costs	Ongoing costs
2016	0	£0	£0	52	£479,652	£99,927
2017	0	£0	£0	245	£2,244,085	£567,445
2018	0	£0	£0	180	£1,653,085	£911,838
2019	0	£0	£0	180	£1,653,085	£1,256,231
2020	0	£0	£0	180	£1,653,085	£1,600,623
2021	0	£0	£0	180	£1,653,085	£1,945,016
2022	1,018	£9,336,078	£1,945,016	0	£0	£1,945,016
Total	1,018	£9,336,078	£1,945,016	1,018	£9,336,078	£8,326,097
NPV		£7,860,727	£1,637,651		£8,795,650	£7,497,372
Cost implications of safeguarding (NPV, £)					£934,923	£5,859,720

33. Tables 3 and 4 outline the present value of the running costs to Government of holding properties for longer (both the 'ongoing' and 'one off' costs). The table outlines that 'ongoing costs' are not incurred in the 'do nothing' scenario until 2022, but are incurred between 2016 and 2021 in the safeguarding 'do something' scenario. These ongoing costs are incurred between the year the property is acquired and 2021 at a cost of £2,547 per property per annum in the high cost scenario. The 'one off' costs are incurred between 2016 and 2022 with safeguarding, but are incurred in 2022 in the 'do nothing scenario'. The costs are equal to £12,228 per property in the year the property is acquired in the high cost scenario. Prior to discounting, the total value of 'one off' costs are the same in both the 'do nothing' and 'do something' scenarios.

34. Combining the estimated increase in present value LPA administrative costs of £128k with the present value running costs of £9m generates total costs of £9.2m in the high cost scenario. Government will be endeavouring to ensure good value for money by recouping the maintenance costs through renting the properties out. Therefore, the true cost is likely to be lower. Table 5 summarises the total costs estimated for safeguarding.

Table 5 - Total costs of safeguarding ('do something') (Net Present Value, 2016 prices)

Cost Element	Cost - High	Cost - Low
LPA administrative costs	£8,508,108	£6,381,081
Running costs	£1,215,443	£911,582
Total costs	£9,624	£4,812

Rationale and evidence that justify the level of analysis used in the IA (proportionality approach)

35. Safeguarding is a long-established part of the planning system and one that offers protection both to the promoters of the infrastructure scheme and to the landowners affected by it. Given this and the lack of evidence on likely planning applications within the safeguarded corridor for the Phase 2b route in the absence of safeguarding directions, we feel that the approach that we have taken is proportionate.

Risks and assumptions

36. The risks linked to and the assumptions underpinning the broader HS2 project are extensively set out in HS2 documentation. These can be found at:
<https://www.gov.uk/government/organisations/high-speed-two-limited>.

37. There are risks from not safeguarding in terms of increased costs. If there was a development on land needed for HS2, HS2 Ltd would need to acquire that development or seek alternative construction options, which introduces risks for both HS2 Ltd and the developer.

38. Assumptions have been made about the following:

- The number of planning applications received by LPAs in various parts of the route have been based on DCLG planning statistics - at a rate of 0.04 per hectare
- The number of additional hours taken to process a planning application near the safeguarded zone to be three hours and the cost per hour of the officer to be £16.2 (and increased by Gross Domestic Product growth forecasts)
- Average annual ongoing running costs of a property to be £2,547 and one-off cost of running costs of £12,228 per property, based on estimates received from CBRE for Phase One. These have been adjusted to 2017 prices.
- The total number of dwellings obtained from the Geographic Information System data is a good estimate of the number of properties (both dwellings, small businesses and farms) applicable to issue blight notices.
- The proportion of dwellings and farm properties issuing blight notices following safeguarding of Phase One of HS2 is a good representation of the proportion that could issue blight notices for the HS2 route between West Midlands and Crewe for the first two years. It has been assumed that a higher proportion of applications are received within the first two years than in subsequent years.

Business Impact Target

39. We do not expect the introduction of safeguarding to introduce costs or benefits to business; the measure regulates the public sector and impacts will be on LPAs and HS2 Ltd.

Post Implementation Review

40. The Government has asked HS2 Ltd to keep safeguarding under review so that it can be reduced, removed or otherwise refreshed at periodic intervals.

Summary and preferred option with description of implementation plan

41. In order to protect the planned railway corridor from conflicting development before construction starts, the Government is safeguarding the Phase 2b route from Crewe to Manchester in the West and Birmingham to Leeds in the East. Safeguarding aims to ensure that new developments along the route do not affect the ability to build or operate HS2 or lead to excessive additional costs. These safeguarding directions will be issued to LPAs, by the Secretary of State for Transport. LPAs will then need to consult HS2 Ltd with regard to planning applications in the safeguarded area before granting consent. LPAs are not bound to follow the recommendation made by HS2 Ltd however, in this instance these decisions will be referred to the Secretary of State.

Analytical Assurance Statement

42. The level of analytical assurance for this analysis is **high**. The analysis has been conducted and peer reviewed by DfT analysts who have the appropriate skills required for this work. The inputs used to conduct the analysis have been sourced from published datasets or from experts, and have undergone consultation. We do not believe any of our parameters will have changed substantially since this IA was last reviewed (2016). To be proportional, we have therefore not attempted to update them.