

<b>Title:</b> High Speed 2 - West Midlands to Crewe Safeguarding  <b>Lead department or agency:</b> Department for Transport <b>Other departments or agencies:</b> HS2 Ltd	<b>Impact Assessment (IA)</b>					
	<b>Date:</b> 27.9.17					
	<b>Stage:</b> Final					
	<b>Source of intervention:</b> Domestic					
	<b>Type of measure:</b> Other					
<b>Contact for enquiries:</b> Joshua Kossoff (DfT), Ruth Bootland (DfT)						

<b>Summary: Intervention and Options</b>	<b>RPC Opinion: Not Applicable</b>
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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	
£-0.54m	NQ	NQ	No	N/A	

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

Sir David Higgins in March 2014 in his 'HS2 Plus' report recommended that accelerating the construction of the Western leg of Phase Two to Crewe could spread the benefits further north sooner. The Secretary of State welcomed the report and commissioned HS2 Ltd to undertake work to consider delivering such benefits more quickly and, as part of this analysis, review the responses to the public consultation on the Phase Two route. The Government subsequently decided to proceed with the acceleration of the HS2 route from West Midlands to Crewe. 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 High Speed Two (HS2) Ltd on new and undecided planning applications which fall within the safeguarded area and it provides HS2 Ltd with a statutory remit to comment on such applications.

**What are the policy objectives and the intended effects?**

HS2 Ltd has examined hundreds of options for the whole route for the western leg 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 responses to the July 2013 Consultation of the Phase Two route, Sir David Higgins' report 'HS2 Plus' and analysis conducted by HS2 Ltd, indicates that the route from West Midlands to Crewe is strongly supported. The hybrid Bill entitled HS2 Phase 2a High Speed Rail (West Midlands to Crewe) Bill was deposited on 17 July 2017 and Safeguarding has been updated to reflect Bill limits to avoid 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 taking place that conflict with 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, either side of the route from West Midlands to Crewe section of HS2 to prevent some development within this area. The precise location of the zone is determined by HS2 Ltd's current engineering, 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. This provides certainty to developers and ensures that conflicting development is not pursued.

**Will the policy be reviewed?** Not applicable (Department for Communities and Local Government are 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.	<b>Micro</b> No	<b>&lt; 20</b> No	<b>Small</b> No	<b>Medium</b> No	<b>Large</b> No

What is the CO <sub>2</sub> equivalent change in greenhouse gas emissions? (Million tonnes CO <sub>2</sub> equivalent)	Traded: 0	Non-traded: 0
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*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: 10/9/17

# 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 17	Time Period Years 6	Net Benefit (Present Value (PV)) (£m)		
			Low: £-0.4m	High: £-0.54m	Best Estimate: £-0.54m

COSTS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	NA	£0.07m	£0.4m
High		£0.1m	£0.54m
Best Estimate		£0.1m	£0.54m

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

Additional costs to the five Local Planning Authorities (LPAs) who will have to assess whether planning applications should be referred to HS2 Ltd. The costs of maintaining properties in the condition required for government to rent them once acquired.

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

Some administrative costs may be incurred by HS2 Ltd, but as these are thought to be small and 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 bringing in 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'

Safeguarding will protect land-owners from investing time and money in development plans which subsequently have to be abandoned because of a conflict with HS2. The key benefits are the removal of potential costs to developers (or, via compensation schemes, to the HS2 project) of investment in developments that are subsequently compulsorily purchased. Eligible property owners within the safeguarded zone will receive statutory compensation.

Even if safeguarding were not in place, LPAs would be likely to take account of the impact of HS2 in their planning decisions. Without formal safeguarding directions, taking account of HS2 would be challenging and incur costs on LPAs.

### Key assumptions/sensitivities/risks

Discount rate

3.5%

The safeguarding zone may not fully reflect the final route. Therefore, there remains a small risk that safeguarding zone may not protect the revised route from conflicting development and associated costs. In addition, house purchases in the original safeguarding zone may prove to be nugatory, though these purchases would prove assets and offset any purchase costs. However, at this stage of the project we are proceeding on the best available evidence and safeguarding reflects the extent of land identified within the hybrid Bill.

## BUSINESS ASSESSMENT (Option 1)

Direct impact on business (Equivalent Annual) £m:			In scope of OITO?	Measure qualifies as
Costs: NQ	Benefits: NQ	Net: NQ	No	N/A

## **Evidence Base (for summary sheets)**

### **Background**

1. This impact assessment sets out evidence for the impact of implementing safeguarding directions for the HS2 line between West Midlands and Crewe. This follows the recommendation in March 2014 from Sir David Higgins in his '*HS2 Plus*' work that benefits could be spread further north sooner if Phase Two were accelerated and the line was extended to a new regional transport hub at Crewe. Following publication of the *HS2 Plus* report, the Secretary of State commissioned HS2 Ltd and Network Rail to undertake work, as part of his consideration of the Phase Two public consultation responses, to explore accelerating construction of the Crewe section of Phase Two so that it could open earlier than 2033 as previously proposed. The hybrid Bill for Phase 2a was deposited on 17 July 2017 and the safeguarding directions have been updated to reflect the Bill limits.

### **Rationale for intervention**

2. The rationale for intervention is to ensure that the land, which is expected to be needed for construction and operation of the HS2 route between West Midlands and Crewe, is not developed further in a manner that would increase costs and risks to building the 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. The updated safeguarding directions, 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.

### **Policy objective**

3. The primary objective is to prevent conflicting development that would hamper HS2 Ltd's ability to build and operate the route from West Midlands to Crewe 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 the route who may otherwise embark on unnecessary development.

### **Development since Consultation Impact Assessment**

4. The consultation stage Impact Assessment was produced in November 2014 to support the Phase Two (Fradley to Crewe) safeguarding consultation (<https://www.gov.uk/government/consultations/hs2-phase-two-fradley-to-crewe-safeguarding-consultation>). Since this consultation, the analysis contained within this Impact Assessment has been improved to reflect our now more accurate assessment of the dwellings within the safeguarding area and to reflect the latest economic information such as GDP growth.
5. There were numerous responses to the Consultation Impact Assessment covering a wide range of issues, which have subsequently been considered in developing this final Impact Assessment. One of the most prevalent responses was that the impact assessment should include the additional cost to HS2 Ltd from buying properties as a result of safeguarding. It is however, considered inappropriate to include these costs as they constitute transfers from one owner to another.
6. It was also suggested that the assessment does not take account of the costs to landowners of legal and valuation fees incurred when banks and lending institutions question the security value associated with land inside the safeguarded area. Any fees incurred in this context would represent a true economic cost however, they should be attributed to the HS2 railway proposal itself rather than as a direct result of safeguarding, hence they have not been included.

7. There was further criticism of another assumption with the consultation impact assessment, that the costs to HS2 Ltd of buying properties within the safeguarded area under compulsory purchase terms would be spread over a five-year period from 2015 to 2020. It was considered unrealistic by some respondents that landowners would wait for five years before serving a blight notice. The uptake rates of blight notices assumed in this Impact Assessment reflect those experienced in Phase One of the scheme and are therefore considered to be the best evidence available.

### **Description of options considered (including do minimum)**

#### **Option 0 - do nothing.**

8. This is the baseline option.
9. The main impact of not having safeguarding directions would be that the land that may be needed for the construction and operation of HS2 could be developed further in a manner that would increase costs and risks to building the railway.
10. 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. There would also be an opportunity cost for property owners that would not be able to access statutory compensation until after Royal Assent for the HS2 hybrid Bill. This is because "Statutory Blight" is only triggered once safeguarding directions are made. This could lead to individuals suffering financial loss if they were unable to access compensation for a significant length of time.

#### **Option 1 - Introduce safeguarding directions (preferred option).**

11. Option 1, the preferred option, is to introduce the safeguarding zone as set out in the maps published alongside this impact assessment. HS2 Ltd recommends this zone having reviewed the evidence thoroughly, and is based on the land requirements set out in the Phase 2a High Speed Rail (West Midlands to Crewe) Bill.
12. 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 LPAs must consult High Speed Two (HS2) Ltd on new and undecided planning applications which fall within the safeguarded area and it provides HS2 Ltd with a statutory remit to comment on such applications. 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.
13. HS2 Ltd considers the safeguarding zone to offer the right balance between the need to protect land and property for construction and operational purposes, and the legitimate rights of land owners not to have their right to develop infringed unnecessarily. A narrower zone would run a significantly higher risk that some subsequent developments would interfere with HS2 Ltd's needs. A wider zone would place a great restriction on development without significantly reducing the risks to the project.

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

#### **Option 0 - do nothing**

14. This is the option against which option 1 is compared.
15. The main impact of not having safeguarding directions would be the administrative burden on HS2 Ltd to monitor planning applications made in 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).

16. There could be negative impacts for developers, who might invest in developments that may in future, if the railway proceeds along the route, be subject to compulsory purchase, increasing costs and risks for HS2 Ltd.

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

##### *Benefits*

17. 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 as a result of HS2 if the railway ultimately proceeds (at a cost to the taxpayer). Compulsory purchase rules include compensation for genuine development potential so safeguarding should not lead to landowners missing out on potential compensation.
18. 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.
19. 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.
20. Safeguarding will also trigger statutory blight processes that will allow 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**

21. The safeguarding directions 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 safeguarding 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 in a no-safeguarding world), the directions would place a small additional administrative burden on both LPAs and HS2 Ltd.
22. We have estimated the administrative costs to the LPAs along the West Midlands to Crewe 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.
23. 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 zone by three hours. This assumption is consistent with that used as part of the Phase One 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.

24. We have assumed that the average hourly basic pay of a local planning authority officer is £16 per hour based on analysis of the Annual Survey of Hours and Earnings<sup>1</sup> and have up-rated this by 40% to allow for pensions, national insurance contributions and other overheads.
25. The safeguarding zone along the route from West Midlands to Crewe is approximately 60 kilometres (2380 hectares) the vast majority of which is in rural area. Assuming that planning applications occur at a rate of 0.024 per hectare (based on analysis of 2013/14 DCLG planning statistics in the local area), the total number of applications per annum within safeguarded areas has been assumed to be 57 (see Table 1). This equivalent to approximately two applications per LPA per month.
26. DCLG only provide 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 would predominantly run through rural areas where one would expect proportionally fewer planning applications. To reflect this a scenario has also been calculated where the number of applications per annum is assumed to be 29 (see Table 2), which is half that derived from the DCLG planning statistics.
27. 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	Total Cost
2016	57	1.8	£23	£4,087
2017	57	2.0	£24	£4,091
2018	57	1.6	£24	£4,073
2019	57	1.7	£25	£4,067
2020	57	1.9	£25	£4,062
2021	57	2.0	£26	£4,059
2022	57	2.1	£26	£4,057
2023	57	2.1	£27	£4,052
2024	57	2.1	£27	£4,045
2025	57	2.1	£28	£4,037
2026	57	2.1	£28	£4,029
<b>Total (undiscounted)</b>				£44,658
<b>Net Present Value</b>				<b>£39,024</b>

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

Year	Applications	GDP growth**	Cost per hour	Total Cost
2016	29	1.8	£23	£2,043
2017	29	2.0	£24	£2,045

<sup>1</sup> See: <http://www.ons.gov.uk/ons/publications/re-reference-tables.html?edition=tcn%3A77-337425> This is equivalent to the mean gross hourly pay for an employee categorised as working in 'public administration and defence'.

2018	29	1.6	£24	£2,036
2019	29	1.7	£25	£2,033
2020	29	1.9	£25	£2,031
2021	29	2.0	£26	£2,030
2022	29	2.1	£26	£2,029
2023	29	2.1	£27	£2,026
2024	29	2.1	£27	£2,022
2025	29	2.1	£28	£2,018
2026	29	2.1	£28	£2,014
<b>Total (undiscounted)</b>				<b>£22,329</b>
<b>Net Present Value</b>				<b>£19,512</b>

\*\*Source: OBR Economic and Fiscal Outlook March 2017, ONS Labour Market Statistics 2015 (Table 25.5a)

### **Cost of Maintaining Properties**

28. 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 may therefore result in earlier government property purchases than would otherwise be the case.
29. These earlier purchases impose a cost to Government associated with managing the properties for a longer period. It is expected that 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, 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 survey, electrical survey, gas appliances survey, and any necessary upgrade works. Therefore, due to safeguarding these costs will be incurred earlier and for a longer period.
30. 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 £2,570 (2017 prices) per property for Phase One. We have conservatively assumed that these costs per property will be no different for Phase Two. The additional costs generated as a result of safeguarding reflect the longer period government now holds the properties it requires for HS2.
31. CBRE also estimate that government will incur 'one off' costs in purchasing properties worth £12,336 (2017 prices) per property. While these costs would be incurred whether or not safeguarding is introduced, the introduction of safeguarding brings government purchases and therefore the associated costs forward in time. It has therefore been assumed they are incurred over the period 2016-19, rather than in 2020 when compulsory purchase powers for Phase 2a are assumed to be in place.
32. 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% lower than those estimated by CBRE for Phase One.
33. It is important to note that Government will obtain rental income from the properties which 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.
34. 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 property owners issuing blight notices are based on recently updated property count estimates provided by HS2 Ltd. To reflect uncertainty regarding the proportion of affected properties issuing blight notices a range has been presented which reflects notices received under Phase One of the scheme. In our low scenario, a total of 44 blight notices are assumed



between 2016 and 2019 while in the high scenario 59 notices are assumed. We 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 both dwellings and commercial properties.

35. In the do nothing scenario, all the running costs are assumed to be incurred when compulsory purchase powers are assumed to be in place. However, with safeguarding a portion of these costs will be brought forward in time as additional costs are incurred between 2016 and 2019.

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

Properties						
	Do Nothing			Do Something		
Year	Blight notices	One-off costs	Ongoing costs	Blight notices	One-Off Costs	Ongoing costs
2016	0	£0	£0	30	£369,878	£77,058
2017	0	£0	£0	10	£119,315	£101,915
2018	0	£0	£0	10	£119,315	£126,773
2019	0	£0	£0	10	£119,315	£151,630
2020	59	£727,824	£151,630	0	£0	£151,630
Total	59	£727,824	£151,630	59	£727,824	£609,006
NPV		£654,046	£136,260		£715,442	£578,770
<b>Cost implications of safeguarding (NPV, £)</b>					<b>£61,396</b>	<b>£442,510</b>

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

Running costs low						
	Do Nothing			Do Something		
Year	Blight notices	One-off costs	Ongoing costs	Blight notices	One-Off Costs	Ongoing costs
2016	0	£0	£0	22	£277,408	£57,793
2017	0	£0	£0	7	£89,487	£76,436
2018	0	£0	£0	7	£89,487	£95,079
2019	0	£0	£0	7	£89,487	£113,723
2020	44	£545,868	£113,723	0	£0	£113,723
Total	44	£545,868	£113,723	44	£545,868	£456,754
NPV		£490,535	£102,195		£536,582	£434,077
<b>Cost implications of safeguarding (NPV, £)</b>					<b>£46,047</b>	<b>£331,883</b>

36. 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 2020, but are incurred between 2015 and 2019 in the safeguarding 'do something' scenario. These ongoing costs are incurred between the year the property is acquired and 2020 at a cost of £2,570 per property per annum in the high cost scenario. The 'one off' costs are incurred between 2015 and 2019 with safeguarding, but are incurred in 2020 in the 'do nothing scenario'. The costs are equal to £12,336 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.

37. Combining the estimated increase in present value LPA administrative costs of £0.04m with the present value running costs of £0.5m generates total costs of £0.54m 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, 2015 prices)**

<b>Cost Element</b>	<b>Cost – High</b>	<b>Cost - Low</b>
LPA administrative costs	£39,024	£19,512
Running costs	£503,906	£377,930
Total costs	£542,930	£397,442

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

38. 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 in the absence of safeguarding directions, we feel that the approach that we have taken is proportionate.

**Risks and assumptions**

39. 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>.

40. There are risks from not safeguarding in terms of increased costs. If there were a development on the 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.

41. 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 0.024 per hectare
- The number of additional hours taken to process a planning application near the safeguarded zone to be 3 hours and the cost per hour of the officer to be £16 (and increased by GDP growth forecasts)
- Average annual ongoing running costs of a property to be £2,570 and one-off cost of running costs of £12,336 per property, based on estimates received from CBRE for Phase 1
- 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 under the safeguarding scheme implemented as part 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.

**Direct costs and benefits to business calculations (following OITO methodology)**

42. We do not expect the introduction of safeguarding to introduce costs or benefits to business; the impacts are on local planning authorities and upon HS2 Ltd.

**Post Implementation Review**

43. The Government has asked HS2 Ltd to keep safeguarding under review so that it can be reduced, removed or otherwise refreshed at periodic intervals where it is reasonable to do so. The Government believes it will be appropriate to ask HS2 Ltd to review the safeguarding of the scheme following key milestones.

#### **Summary and preferred option with description of implementation plan**

44. In order to protect the planned railway corridor from conflicting development before construction starts, the Government is safeguarding the route from West Midlands to Crewe, as described earlier, (the western leg of the Y network) using safeguarding directions, which are an established tool of the planning system designed for this purpose. 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. Safeguarding directions will be issued to LPAs, by the Secretary of State. LPAs will then need to consult HS2 Ltd with regard to planning applications in the safeguarded corridor 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**

45. 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. Thus, they are the best available and the level of effort to obtain them has been proportional to the scale of the impact.

