

## HIGH SPEED TWO PHASE 2a INFORMATION PAPER

### C12: LOCAL AUTHORITY FUNDING AND NEW BURDENS

This paper outlines HS2 Ltd and the Department for Transport's position on funding local authorities for activities relating to High Speed Two.

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

This paper was prepared in relation to the promotion of the High Speed Rail (West Midlands-Crewe) Bill which is now enacted. It was finalised at Royal Assent and no further changes will be made.

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: LOCAL AUTHORITY FUNDING AND NEW BURDENS

## 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 phases: Phase One will connect London with Birmingham and the West Midlands. Phase 2a will extend the route to Crewe. Phase 2b will extend the route to Manchester, Leeds and beyond. The construction and operation of Phase One of HS2 is authorised by the High Speed Rail (London – West Midlands) Act 2017.
- 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 July 2017, the Government introduced a hybrid Bill<sup>1</sup> to Parliament to seek powers for the construction and operation of Phase 2a of HS2 (the Proposed Scheme). The Proposed Scheme is a railway starting at Fradley at its southern end. At the northern end it connects with the West Coast Main Line (WCML) south of Crewe to allow HS2 services to join the WCML and call at Crewe Station. North of this junction with the WCML, the Proposed Scheme continues to a tunnel portal south of Crewe.
- 1.4. The work to produce the Bill includes an Environmental Impact Assessment (EIA), the results of which are reported in an Environmental Statement (ES) submitted alongside the Bill. The Secretary of State has also published draft Environmental Minimum Requirements (EMRs)<sup>2</sup>, which set out the environmental and sustainability commitments that will be observed in the construction of the Proposed Scheme.
- 1.5. The Secretary of State for Transport is the Promoter of the Bill through Parliament. The Promoter will also appoint a body responsible for delivering the Proposed Scheme under the powers granted by the Bill. This body is known as the 'nominated undertaker'. The nominated undertaker will be bound by the obligations contained in the Bill and the policies established in the EMRs. There may be more than one nominated undertaker.
- 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 Proposed Scheme have been reached.

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<sup>1</sup> The High Speed Rail (West Midlands – Crewe) Bill, hereafter 'the Bill'.

<sup>2</sup> For more information on the EMRs, please see Information Paper E1: Control of Environmental Impacts.

## 2. Overview

- 2.1. This Information Paper outlines HS2 Ltd and the Department for Transport's (DfT) position on funding for local authorities for carrying out HS2-related activities.

## 3. Local authority involvement

- 3.1. At the request of HS2 Ltd, local authorities have provided technical information to support the development of the proposals for the Proposed Scheme. This has enabled HS2 Ltd to identify key local environmental, social and economic issues along the line of route that have been taken into consideration in the design of the Proposed Scheme to date. Following Royal Assent, relevant local authorities will have a role in approving matters of detail relating to the design of the Proposed Scheme.

## 4. New burdens

- 4.1. HS2 Ltd and DfT acknowledge that some of the activities that local authorities carry out in relation to the Proposed Scheme may place an additional resource burden on them.
- 4.2. In the Ministry of Housing, Communities and Local Government's (MHCLG) New Burdens Doctrine (2011), a new burden is defined as any policy or initiative that increases the cost of providing local authority services. The New Burdens Doctrine requires that the net additional costs of all new burdens placed on local authorities by central Government is assessed and fully and properly funded. The department leading on the policy or initiative is responsible for securing the resources needed to fund the net additional cost falling on local authorities, and for making any necessary resource transfer. Not all work associated with the Proposed Scheme will be a new burden, for example, local authorities already have an existing duty to familiarise themselves with major projects proposed in their area, so doing this in relation to the Proposed Scheme would not be a new burden.
- 4.3. In line with the new burdens guidance, since January 2017 HS2 Ltd has offered to reimburse local authorities for the time spent by their staff providing technical support and information to HS2 Ltd. The nature and type of new burdens placed on local authorities will change during the construction of the Proposed Scheme.

## 5. New burdens assessment

- 5.1. In recognition of these new burdens, HS2 Ltd and DfT, in conjunction with MHCLG, have previously undertaken a New Burdens Assessment, in relation to Phase One of HS2. This was undertaken to establish which of the activities carried out by local authorities represent a new financial burden on them and those activities not considered eligible for additional funding. This assessment will be also be used in relation to the Proposed Scheme.

- 5.2. Table 1 sets out those activities that are expected to place a new burden on local authorities in relation to the Proposed Scheme, based on the assessment undertaken in relation to Phase One of HS2. HS2 Ltd and DfT will make funding available to local authorities to meet their reasonable costs for time spent on these activities, in line with the New Burdens Doctrine.
- 5.3. Activities carried out by local authorities in relation to the Proposed Scheme, which are excluded from Table 1, were not assessed to be creating a new financial burden in relation to Phase One, and are not expected to do so in relation to the Proposed Scheme.
- 5.4. As with all major infrastructure projects however, local authority involvement with the Proposed Scheme will evolve over time. The Secretary of State will therefore require the nominated undertaker and the DfT to maintain a dialogue with local authorities prior to and during construction of the Proposed Scheme to re-assess whether or not there are any other Proposed Scheme related activities not identified in the assessment, for which local authorities should be reimbursed.
- 5.5. Where local authorities themselves consider that new financial burdens are placed on them in the run up to and during construction of the Proposed Scheme, they should provide HS2 Ltd and DfT with detailed evidence to support their claim for additional funding. Where this evidence meets the New Burdens Doctrine's criteria of a new financial burden the local authority's reasonable costs will be reimbursed, even if that activity was previously considered exempt from funding. For example, it is not currently expected that the Proposed Scheme will create a new burden on local authorities to deal with public enquiries relating to its construction, as the nominated undertaker will be required to operate a 24hr helpline to deal with such enquiries from members of the public. However, if it transpires that members of the public do not use this line and instead call their local authority and a new burden can be evidenced then the local authority's reasonable costs would be reimbursed.

## **6. Local authority funding**

- 6.1. Funding for the activities listed in Table 1 would normally be managed through a Service Level Agreement. This agreement would describe the activities for which local authorities would receive funding and details of the financial settlement they would receive. This would enable local authorities to put in place the appropriate resources to deal with the demands placed upon them by the Proposed Scheme.
- 6.2. Decisions on the level of funding that each local authority may receive and the final details of the agreement will follow discussions with individual local authorities.

## **7. More information**

- 7.1. More detail on the Bill and related documents can be found at: [www.gov.uk/HS2](http://www.gov.uk/HS2)



**Table 1. Proposed Scheme related activities for which additional funding are expected to be made available to local authorities**

Activity #	Proposed Scheme related activity for which funding will be provided to local authorities along the line of route.
1.	Early discussion on preliminary route design and technical input into the Environmental Statement, or any update to it, for the HS2 Bill, at the request of HS2 Ltd or DfT.
2.	Provision of technical and spatial data (e.g. GIS data) for environmental assessment purposes, at the request of HS2 Ltd or DfT.
3.	Reviewing and providing technical input into the production of technical documents produced by HS2 Ltd pre-construction, at the request of HS2 Ltd or DfT.
4.	Attendance of Phase 2a Planning Forum and associated Sub Groups.
5.	Early discussions on design of HS2 works, including buildings, structures, road layouts and design, heritage and archaeology, traffic management activity, flood risk management, noise and vibration monitoring of construction activity at the request of HS2 Ltd or the nominated undertaker.
6.	Dealing with requests for approval for conditions of deemed planning permission under the Planning Conditions Schedule of the Bill.
7.	Time spent by local highway authorities on consenting activities and processes described in Schedules 4 and 32 (part 1) of the Bill
8.	Technical engagement of local highways authorities in the preparation and development of Traffic Management Plans, at the request of HS2 Ltd or DfT
9.	Attendance of local highway authority officers at Traffic Liaison Meetings with HS2 contractors, at the request of HS2 Ltd or DfT.
10.	Early discussions with local authority environmental health practitioners on Section 61 consent submissions under Section 61 of the Control of Pollution Act 1974 and establishment of monitoring locations.
11.	Time spent by local authority environmental health practitioners on handling and monitoring consents sought by HS2 under Section 61 of the Control of Pollution Act 1974

Activity #	Proposed Scheme related activity for which funding will be provided to local authorities along the line of route.
12.	Early discussions on the design of drainage, flood defence and water resource proposals subject to approval under Schedule 33 (part 5) of the HS2 Bill.
13.	Time spent by local authority officers on processing drainage, flood defence and water resource approvals under Schedule 33 (part 5) of the HS2 Bill
14.	Engagement on Archaeological Investigations specified within the HS2 Heritage Memorandum and the Code of Construction Practice
15.	Agreement of scope and methodology of heritage deeds required by Schedule 18 of the HS2 Bill.
16.	Responding to other specific requests for information from HS2 Ltd or DfT where it has been agreed that a fee would be paid for that activity.