

For publication

High Speed Rail – Growth Strategy and Response to Consultation on Route (R000)

Meeting:	Cabinet
Date:	7 March 2017
Cabinet portfolio:	Economic Growth
Report by:	Development and Growth Manager Michael Rich, Executive Director

For publication

1.0 Purpose of report

- 1.1 To agree the council's response to the current consultation on the proposed route of HS2 through Chesterfield Borough.
- 1.2 To consider the implications of ongoing engagement on the HS2 project and to seek approval for the proposed approach to maximising the benefit of high speed rail to Chesterfield.

2.0 Recommendations

- 2.1 That Cabinet agree the draft response to the current consultation on the route of HS2 and delegate authority to the Development and Growth Manager, in consultation with the Cabinet Member for Economic Growth, to approve the final response.
- 2.2 That Cabinet endorse the proposed approach to working with partners to prepare a growth strategy for HS2 in Chesterfield in order to maximise the benefits for the borough.

2.3 That Cabinet delegate authority to the Development and Growth Manager, in consultation with the Deputy Leader, to sign the Memorandum of Understanding with HS2 Ltd.

2.4 That Cabinet note the Council decision of 23 February 2017 to allocate up to £100k from reserves to increase officer capacity over the next two years in order to work closely with partners and lead delivery of the growth strategy for Chesterfield.

3.0 **Report details**

Background and Current Consultation

3.1 Cabinet previously considered a report on HS2 on the 24th January 2014 setting out the council's response to consultation on the proposed route of High Speed Rail through Derbyshire and Chesterfield Borough.

3.2 In response to this consultation and following further discussions with stakeholders and consideration of wider cost pressures, in July 2016 Sir David Higgins (Chairman of HS2 Ltd) published an analysis of different options for the route through south Yorkshire. This included for the first time a proposal to run high speed services along a spur from the main HS2 line into Sheffield Midland with a stop at Chesterfield station.

3.3 Following this report from Sir David, government published a proposed revised route on 15th November 2016, in line with the recommendations made by the HS2 Chairman. This also included plans showing the extent of land around the route to be safeguarded from development.

3.4 The revised proposals cover Phase 2b of the HS2 route (Crewe to Manchester in the west and West Midlands to Leeds in the east). Of particular relevance to Chesterfield Borough are the proposals to:

- Realign the main HS2 route further east north of M1 junction 29, closer to Bolsover. This would replace the previously published route that passed through the Markham Vale development and between Woodthorpe and Netherthorpe;

- Create a new spur linking the main HS2 line near Hilcote to the existing Erewash Valley line near Stonebroom enabling high speed 'classic compatible' trains to serve Chesterfield (currently proposing one service stopping in Chesterfield per hour) and Sheffield Midland;
 - A revised site layout of the proposed Staveley Infrastructure Maintenance Depot (IMD) and revised access route from the HS2 mainline, following the route of disused lines.
- 3.5 The consultation is on the line of route published on 15th November. Government have made it clear that this is not a consultation on whether the new route or the previously published route are preferred.
- 3.6 Comments on the proposed alterations to the line of route must be submitted by 9th March 2017. As part of the consultation process HS2 organised a series of events, including one at the Speedwell Rooms at Staveley on Friday 3rd February.
- 3.7 Consultation is also taking place on a property compensation scheme for land owners and the potential impact on the authority's own land and property holdings is currently being investigated.

Proposed Response to Consultation

- 3.8 The implications of the revised route for Chesterfield Borough are largely positive. Indeed, the opportunity of both a station served by high speed rail services and a maintenance depot will be potentially transformative for the borough and wider area.
- 3.9 Appendix A sets out a draft response to the consultation. The summary takes a positive line and states the ambition of the council to maximise the opportunities provided by HS2. The response also includes details of the main implications for the borough, including:
- The relocation of HS2 mainline east reduces the impact on residential properties in Woodthorpe and Netherthorpe and on the Markham Vale development;

- The revised layout of the Staveley IMD now allows for a suitable alignment of the Chesterfield-Staveley Regeneration Route (CSRR) and a better layout of uses on the remainder of the site;
- The revised HS2 mainline east route and revised access arrangements to the IMD significantly reduce the impact upon the line of Chesterfield Canal, with the canal only crossed once, along the alignment of a former rail line;
- The proposed HS2 stop in Chesterfield will result in significantly reduced journey times to Birmingham and London and a significant level of economic uplift is anticipated (although further work is to be undertaken to quantify this, as set out below).

3.10 However, the proposed route does still have some potential adverse impacts that will need to be investigated and managed, including on properties at Bank House Farm, Bolsover Road, and adjacent to the access line to the IMD. The revised route also has impacts outside of the borough that should be recognised, including on the redevelopment of the Coalite site in North East Derbyshire and Bolsover Districts, and on the setting of Bolsover Castle.

3.11 The council's proposed response has been prepared in the light of ongoing discussions with a number of partners, in particular Derbyshire County Council, East Midlands Councils and key landowners affected by the proposed IMD. The following is a summary of the response:

- The council welcomes the revised route of HS2 phase 2b from the West Midlands to Leeds, which addresses a number of site specific issues raised in the council's response to consultation on the previous line of route;
- We support the proposed 'Classic Compatible' route to Sheffield including a stop in Chesterfield. The council and its partners would like to work with HS2 to make the case for more than one stop per hour in order to maximise the

potential economic benefits across the north Derbyshire area;

- The revised layout and access route for the IMD addresses a number of site specific issues raised in the council's response to consultation on the previous line of route and is welcomed in principle. Further clarification is needed on details, specifically levels for the site and access line, and mitigation measures for residents living close to the line;
- As part of the final East Midlands growth strategy in July 2017, we will be making the case for using the IMD site during the construction phase of HS2 and would welcome support in the early delivery of the CSRR to improve access to the site;
- The council strongly supports the development of a northern loop beyond Sheffield to enable high speed services stopping at Sheffield to continue further north to Leeds.

Memorandum of Understanding

- 3.12 HS2 Ltd has also issued a draft Memorandum of Understanding (MoU) to all Local Planning Authorities along the proposed route of HS2 phase 2 (attached as Appendix 2). The MoU relates to technical engagement in the preparation of the Environmental Impact Assessment (EIA) that will support the Hybrid Bill for HS2 and engagement on route refinement and mitigation.
- 3.13 HS2 Ltd recognises that the project places additional demands on the Council's resources, and will reimburse the reasonable costs and travel expenses incurred by the Council's employees and consultants for the activities specified in the MoU at an agreed rate. Entering into the MoU does not in any way prejudice the council's ability to engage in and where necessary challenge the plans for development of HS2 within the borough.
- 3.14 Council officers have already been approached by HS2 Ltd regarding providing baseline information for the EIA and time spent will need to be recorded appropriately. The reimbursement on offer is specific to the work on the environmental assessment

and will not cover the wider activity (described below) that the council will need to undertake to maximise the benefits of HS2.

General Approach and Way Forward

- 3.15 The transformational impacts of HS2 potentially provide a once in a lifetime opportunity to help deliver the Council's plan for economic growth for the communities of Chesterfield and bring benefits well beyond the borough boundaries. A presentation highlighting the opportunities and work necessary to realise these was given to elected members on 27th February and slides from this event are included here at appendix 3.
- 3.16 Having an HS2 station in Chesterfield included in the Government's plans would strengthen the well-connected nature of Chesterfield and emphasise the unique position it has linking the Northern Powerhouse and the Midlands Engine.
- 3.17 HS2 presents a major long-term opportunity for Chesterfield both during the construction and operational phases. The IMD at Staveley will directly employ 200-250 workers, and including estimates of indirect benefits there could be up to 710 jobs in total across the wider area. These benefits will increase and come sooner if the site is also used during the construction of the line. The key opportunity stems from Chesterfield being one of only a small number of locations nationally that will be directly served by high speed rail. Given this and the improved accessibility of towns and cities on the network, the proposals will enhance Chesterfield's competitiveness as a business location and make it a more attractive residential location, both of which will generate significant benefits for the local economy, strengthen investor confidence and accelerate development on strategic sites across the borough and beyond.
- 3.18 HS2 will also boost Chesterfield's role as a Peak District Gateway, with HS2 Ltd forecasting that 50% of all rail journeys are expected to be for leisure purposes. Improved connectivity to London will support the viability of key developments such as Peak Resort, providing easy access for national and international visitors.

3.19 These and other benefits already form a key strand in the work to develop HS2 growth strategies both in the East Midlands and Sheffield City Region. Central government has requested that growth strategies are set out in order to support the overall case for HS2 and show how stakeholders are planning to make the most of the opportunities high speed rail will bring. Funding has been made available, both in the East Midlands (through the D2N2 LEP) and Sheffield City Region to support studies, research and frameworks that will underpin the growth strategy and guide future development at key HS2 sites.

Current partnership working

3.20 Chesterfield BC has been working with partners for some time on plans for HS2, including chairing a Staveley Depot Board as part of the wider East Midlands governance arrangements. Since the proposals for a station in Chesterfield, it has become increasingly important to work with partners to develop and promote the potential benefits for the area and to support the wider strategies for growth to the north and south of Chesterfield.

3.21 The role of the depot Board has now broadened out to include the proposals for high speed rail serving Chesterfield station. The membership of the group is being revised in order to fulfil this wider role. Chesterfield BC is represented on the East Midlands HS2 Board, SCR HS2 Board and the officer groups supporting those Boards. Through these Boards, the council aims to draw in funding to pay for the work needed to develop plans in and around Chesterfield. Officers are also working closely with the HS2 Growth Partnership to ensure a full and relevant contribution to the work on the East Midlands Growth Strategy.

3.22 Regular liaison is now in place with officers from the county council and presentation material, draft commissioning documents, draft job descriptions and consultation responses have all been shared in order to ensure a joined up approach. This approach is also being extended to neighbouring districts to ensure benefits right across north Derbyshire are considered and maximised.

4.0 Human resources/people management implications

- 4.1 As set out in the report to council on 23rd February, the work the council needs to do in order to maximise benefits to Chesterfield will not be accommodated within existing resources. There is a need to provide additional capacity to ensure that the strongest case can be made for the measures set out in the growth strategy that will see Chesterfield and the surrounding area gain the maximum benefit. A report setting out the case for this resource and more detail regarding the specific tasks is going to the Joint Cabinet and Employment and General Committee in parallel to this Cabinet report.
- 4.2 As well as dedicated additional capacity, there is no doubt that the work entailed in making the most of HS2 opportunities will also make a call on existing resources of officers and members across the council. Whilst some technical work will be externally funded and/or reimbursed (e.g. the environmental impact assessment), there will still be more work to accommodate alongside existing council priorities.

5.0 **Financial implications**

- 5.1 As agreed by Council on 23rd February, an allocation of up to £100k over two years has been made within reserves to fund an officer post to lead on this work. A parallel report is going to Joint Cabinet and Employment and General Committee to seek approval to establish the post. This states the intention that the funding provides a cap that will determine the length of time for which an officer can be in post as the grade is still to be confirmed.
- 5.2 As stated above, there is a mechanism through the MOU to seek reimbursement for costs the council incurs linked to the Environmental Impact Assessment that will be required by HS2.
- 5.3 The additional work required by way of technical studies, masterplanning, economic impact assessments etc. for the station and depot will be funded by the two LEPs in the first instance. An allocation of £60k for work prior to July has already been made by the East Midlands Board and discussions are underway with SCR to determine an appropriate match fund from the allocation made by central government to cover work on HS2 across the city region.

5.4 It is likely this funding would come to the council on the basis it is spent on external specialists for specific studies. There is not thought to be any provision to allow a management fee or similar to cover additional costs to the council.

5.5 In order to maximise the opportunities of HS2, there will need to be significant additional investment within the borough. Work has already been commissioned by the East Midlands Board to consider how this investment could be funded and Chesterfield will work with partners to ensure the strongest case is made for investment to unlock the full potential of the station and depot.

6.0 **Legal and data protection implications**

6.1 A Memorandum of Understanding has been sent to the council by HS2 relating to activity likely to be required as part of the Environmental Impact Assessment of the route. Entering into the MoU does not in any way prejudice the council's views on HS2 or our ability to discharge our statutory functions.

6.2 As noted above, work is ongoing with regard to consideration of any land or assets of the council that could be affected by the route and/or eligible for one or more of the compensation schemes in place.

7.0 **Consultation**

7.1 The lines taken in the draft response have been discussed with partners, in particular Derbyshire County Council. It is thought likely key partners will support the proposals for a station and depot in the borough as well as supporting the key 'asks' set out in the draft consultation response. Business stakeholders have also been encouraged to respond positively to the consultation through the Destination Chesterfield network.

8.0 **Risk management**

8.1 At this stage, the key risk is that Chesterfield is not able to contribute fully to the work required to develop plans for a station and depot, leading to significant reputational damage and potentially undermining the overall case for the proposed route

and wider Eastern leg and damaging the future economic prospects of the borough and beyond.

8.2 More detail of risks are set out in the table below.

Description of the Risk	Impact	Likelihood	Mitigating Action	Impact	Likelihood
Chesterfield does not invest significant time and effort in supporting HS2 growth strategies, leading to a weaker case for the station and depot and reputational damage with partners	H	M	Invest in additional capacity through use of reserves and ensure priority given to the work for relevant officers	H	L
Poor communication with partners leading to lack of coordination, slow decision making and/or reputational damage	M	M	Ensure regular liaison is in place; share plans and proposals at an early stage	M	L
Insufficient evidence in place to support a strong case for the benefits of the station and depot	H	M	Work with partners to ensure the right work is commissioned and have strong client role and assurance in place throughout process	H	L

9.0 Equalities Impact Assessment (EIA)

9.1 An assessment of the proposals and potential impact on Chesterfield has not been completed at this stage. As specific proposals are developed to deliver the growth strategies, it is likely that impact assessments will be required.

10.0 **Alternative options and reasons for rejection**

10.1 Alternatives to submitting the proposed draft consultation response include submitting no response at all or submitting a neutral or negative response. These have been discounted as there is a strong case for welcoming proposals for a station and depot in the borough and failing to respond positively would be damaging to the future economy of the area.

10.2 Alternatives to the approach outlined to working on the growth strategies for HS2 include working in a less collaborative manner or putting less resource into the work. These have been discounted as it is critical to work with a range of partners in order to make the case for developing a station and depot and not possible to make a full contribution without investing in additional resources.

11.0 **Recommendations**

11.1 That Cabinet agree the draft response to the current consultation on the route of HS2 and delegate authority to the Development and Growth Manager, in consultation with the Cabinet Member for Economic Growth, to approve the final response.

11.2 That Cabinet endorse the proposed approach to working with partners to prepare a growth strategy for HS2 in Chesterfield in order to maximise the benefits for the borough.

11.3 That Cabinet delegate authority to the Development and Growth Manager, in consultation with the Deputy Leader, to sign the Memorandum of Understanding with HS2 Ltd.

11.4 That Cabinet note the Council decision of 23 February 2017 to allocate up to £100k from reserves to increase officer capacity over the next two years in order to work closely with partners and lead delivery of the growth strategy for Chesterfield.

12.0 Reasons for recommendations

12.1 To maximise the benefits to Chesterfield of HS2.

Glossary of Terms	
HS2	High Speed Rail Phase 2
MoU	Memorandum of Understanding
EIA	Environmental Impact Assessment
IMD	Infrastructure Maintenance Depot
CSRR	Chesterfield-Staveley Regeneration Route

Decision information

Key decision number	717
Wards affected	All
Links to Council Plan priorities	To make Chesterfield a thriving Borough

Document information

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Background documents

These are unpublished works which have been relied on to a material extent when the report was prepared.

None

Appendices to the report

Appendix A	Draft response to consultation on High Speed Two
Appendix B	Memorandum of Understanding with HS2 Ltd
Appendix C	Slides from all member briefing, 27 February 2017