

HIGH SPEED TWO: PROPERTY AND COMPENSATION FOR LONDON TO WEST MIDLANDS - CONSULTATION

This is a joint response prepared by Staffordshire County Council, Lichfield District Council, Stafford Borough Council, Newcastle Borough Council and Tamworth Borough Council to the High Speed 2 Exceptional Hardship Scheme for Phase Two for West Midlands to Leeds and Manchester.

The HS2 Phase Two initial preferred route continues to permanently alter our landscape and will have a significant impact on the countryside and communities in Staffordshire. We believe removing blight and providing appropriate compensation to the communities affected by the proposals should be a principal focus of Government, Department for Transport and HS2 Ltd.

1) Do you agree or disagree that the Department for Transport should introduce an Exceptional Hardship Scheme for Phase Two ahead of decisions on how to proceed with the routes? What are your reasons?

We agree that the Department for Transport (DfT) should immediately introduce an Exceptional Hardship Scheme. However, this should not be in lieu of the Government giving further consideration to provide an undertaking to guarantee blight-free property values. Such a scheme would contribute to providing some confidence in an already subdued local affected housing market.

We believe that the DfT should look at an improved compensation offer so as to address the blight caused as a result of the route announcement. The Exceptional Hardship Scheme (EHS) does nothing to remedy blight which is unfair and unacceptable. As a special project, we believe Government has the power to address this blight through non-statutory arrangements which can maintain market confidence and compensate property owners for the blight already created.

Major projects deemed to be of national benefit should not see property owners lose value in their property and it is unreasonable for individuals to withstand this loss. The blighting of property values in the vicinity of the proposed route, as a result of the announcement, should be a cost to HS2 Ltd, and not individuals.

We believe the timescales involved with a scheme of this nature creates a huge amount of uncertainty within the property market. It is unfair of the DfT to expect property owners to sustain a loss in value of their property for the duration of the HS2 Phase Two timeframe.

It is expected that property owners may wish to sell their property for a variety of reasons and not just because of hardship. The EHS does nothing to address this and has done nothing to assist those property owners blighted by the Phase One route.

We believe other compensation schemes, such as a 'Property Bond', which have been previously discounted by the DfT and HS2 Ltd need to be reconsidered so as to remove blight and support the property market along the line of the route.

2) Do you agree or disagree with the proposed criteria underpinning the Exceptional Hardship Scheme for Phase Two? What are your reasons? Please specify any alternative principles you would propose, including specific criteria for determining qualification for the scheme.

We disagree with the proposed criteria for the following reasons:

- Owners over bored tunnelled sections should not be automatically excluded. Nor is it sufficient to state that the EHS includes properties in close proximity to tunnel entrances and exits and other infrastructure associated with the line – that being vague. It is a purchaser's perception, not the Government's perception, of the likely effect of the railway which causes blight. Furthermore, although the consultation paper refers to details of those sections of the proposed route which would be constructed of a bored tunnel, as being able to be found on the detailed plan and profile drawings, this information is not provided for all the tunnels on the Staffordshire section. In any case it would appear that it is not yet certain which sections of tunnel would be bored and which created by cut and cover. If an owner meets all of the other criteria the owner should be able to submit an application.
- The consideration of whether an offer is reasonable or not should not be linked to asking prices. The offer should be viewed in the light of a professional valuation paid for by the Government, including the valuer's comment on valuation certainty. It is unreasonable for Government to think that owners should be forced to sell at less than market value as a result of the proposed scheme.
- It is wrong to expect property owners to have suffered a loss in value of up to 15% in an effort to sell. All property owners should be eligible for 100% unblighted market value. The announcement of the initial preferred route would directly contribute to the property owner's inability to sell irrespective of whether or not the property market is already slow and this should not be given consideration.
- It is unreasonable to expect that an applicant should, in certain circumstances, be assumed to have had prior knowledge. The

communities blighted by the Phase Two announcement had no prior knowledge to the route alignment until it was announced on the 28th January 2013. How can a panel be sure that an applicant had prior knowledge, not only of HS2, but of the location of the property in relation to it and the possible effect of the railway on the property if it was not revealed in a local search?

- With the proposal to grade hardship. The fact that individuals suffer hardship from time to time for reasons unconnected with HS2 should not mean that they should be forced to suffer any significant level of hardship as a result of it without being eligible for the scheme. Further information is required on how the Government will decide whether hardship is 'exceptional' or not. We welcome that each case should be assessed on its own merit but in the absence of any set criteria on which to judge this, it has the potential to be inconsistently applied. If any criteria is to be used in the assessment of applications this should be published and available for comment.

A fair approach to deciding a loss in property value should be that determined by the market itself not set by a series of arbitrary rules. It is wholly unfair and unjust to expect property owners to pay from their own personal assets the costs of a project which is deemed to be of national interest. The DfT should be required to fully compensate property owners for their loss as a result of the proposed scheme. By devising fair, transparent, independent and timely compensation schemes we believe the DfT could generate savings on time and cost to the public purse.

The freedom to move without penalty because of HS2 should be everyone's right and not depend on exceptional circumstances. The hardship approach is unreasonable and the DfT should include everyone needing or wanting to move - not just those who can satisfy the hardship criteria.

3) Do you agree or disagree with the proposed process for operating the Exceptional Hardship Scheme for Phase Two? What are your reasons? Please specify any alternative arrangements which you would suggest.

We do not agree with the process for operating the Exceptional Hardship Scheme operation as it is unfair, it does nothing to provide certainty as well as protecting property owners against a loss in property value.

We consider that both the 'majority independent panel' considering applications and the decision maker should be wholly independent and operate the scheme within parameters set for them by Government. We fail to see how a panel which has a member representing HS2 Ltd can be truly independent and unbiased; this runs the risk of constant appeal and challenges if it is perceived as such.

To provide confidence in the valuation process, property owners should have the option to arrange for their own valuation of the property to be undertaken.

Closing remarks

The Government, DfT and HS2 Ltd need to develop a new approach for how property owners affected by major infrastructure projects are compensated. The Government should seek to reassure property owners blighted by the initial preferred route to maintain confidence in the property market. The Government also needs to protect property owners against a loss in property value and compensate at full blight-free market value for all properties affected by the proposals.

Should the proposals of HS2 be deemed to be of national interest the Government needs to provide full and fair compensation to the individuals who have been blighted by the initial preferred route.