

Exceptional Hardship Scheme Consultation

Name: Wendover Parish Council

Address: The Clock Tower, High St., Wendover, Bucks

Wendover Parish Council represents the residents of Wendover (population c9,500) in Buckinghamshire, and is non-political. A public meeting allowed residents to express their views, along with mail and messages received by the council.

This response was decided in full council meeting 4th May 2010.

DfT Question 1 - Proposed Introduction of an Exceptional Hardship Scheme

The Department for Transport would welcome views as to whether it should introduce an Exceptional Hardship Scheme ahead of decisions on whether, and if so how, to proceed with a high speed route?

- Yes, a scheme is needed as the announcement has had a detrimental affect already. Property values have already been severely damaged by 11 March HS2 announcement and urgent action is needed now to remedy this
- The proposed scheme is too restrictive and imposes hardship on the local population
- Inadequate information at this stage means that fear is operating to depress the local economy
- A comprehensive scheme is required to cover the full period of the route selection, build and operation. It is wrong that EHS is only an 'interim scheme' ending when the route is chosen. Protection is needed up until HS2 is built and operating – at least 17 years away, as statutory blight provisions will leave the local residents bearing the cost
- A comprehensive Property Blight Protection Scheme (as attached here) is needed to maintain market confidence and compensate property owners for the blight already created.

DfT Question 2 - Exceptional Hardship Scheme Principles and Criteria

Do you agree with the proposed principles underpinning the proposed Exceptional Hardship Scheme? If not, what alternative principles would you propose, including specific criteria for determining qualification for the scheme?

Principles

- The proposed principles are too restrictive. They do not compensate the great majority of individuals suffering loss in property value as a direct result of HS2 now or in the future
- The rules on eligibility are unreasonably restrictive as in the requirements to prove property type, hardship, proximity, HS2 evidence, threshold loss and no HS2 knowledge.

Alternative principles

- The more comprehensive scheme (as attached) details fairer alternative arrangements based on similar schemes used in the private sector. Their property protection schemes had neither hardship rules nor a threshold loss but compensated at full blight-free value.
- HS2 should not impose losses on individuals through reducing the value of their property. HS2 should be required to fully compensate property owners for their loss.

Wendover Parish Council response on HS2 EHS consultation

- The freedom to move without a price penalty should not depend on exceptional cases or being 'on or in close vicinity of' the route.
- *Property type*: all property should be included (includes farmers and businesses).
- *Hardship rules*: must include all who want to move, not just those who can prove they are moving for one of the five EHS specified reasons (i.e. the 'exceptional hardship' cases)
- *Proximity*: all properties, including those above tunnels should be included if they suffer loss in value because of HS2.
- *Threshold loss*: there should be no 'threshold loss' before full compensation is given. It is wrong to require people to suffer up to 15% loss in value. All property owners should be eligible for the full 100% blight-free market value.
- *Proof it is due to HS2*: It is unclear what evidence is needed to prove inability to sell is due to HS2? A simple time limit should be adopted, basing it on estate agents' data for the general area

DfT Question 3 - Operation of the Exceptional Hardship Scheme

Do you agree with the proposed system for operating the proposed Exceptional Hardship Scheme? If not, what alternative arrangements would you suggest?

- No. The EHS proposed system of operation is unfair. Under the alternative scheme proposed, HS2 Ltd would agree to purchase any property put on the market if it has lost value because of HS2.
- A scheme based on a 'panel of experts' introduces subjective interpretation.
- Any decisions on eligibility and property valuations should be subject to independent valuations and appeal. The scheme needs to allow the property owner the option of having their own valuation done.

Alternative Compensation Solution

A new approach is needed for how individuals affected by major infrastructure projects are compensated. A summary of the recommended alternative solution has four elements:

1. A new policy for Government

Major infrastructure developments undertaken for the national benefit should not impose losses on individuals through reducing the value of their property. The blighting of property values in the locality of HS2 is a consequence of HS2 and should be a cost to HS2, not to the people who happen to be in that locality.

2. A Government *Undertaking* to guarantee property values

The Government should now give an '*Undertaking*' that it will guarantee blight-free market values for all properties affected by whichever route is chosen. This would be achieved through a new property blight protection scheme that would start from when the route is selected. The *Undertaking*, given now, would cost nothing until the route is chosen.

Its aim is to reassure property owners on all potential routes and maintain market confidence.

3. A new compensation scheme (instead of the EHS)

The new Property Blight Protection Scheme (PBPS) would guarantee the blight-free market values to property owners who in selling their property would suffer a loss in value due to HS2. PBPS would not replace statutory rights but provide new rights to those affected by HS2

Eligibility: any property owner who suffers a 'loss in property value' due to HS2 could apply to HS2 Ltd to purchase the property at its blight-free market value. There would be no qualifying reason for sale, restrictions on proximity, noise etc, or threshold loss, besides there being some impact on market value.

Operation: to inhibit groundless applications some 'general conditions' must be met

- Been on the market for a reasonable period (determined by property price bands)
- No 'serious offers' at blight-free value (with evidence to justify this value)
- Reasonable (evidenced) belief that its reduced value is due to HS2

The 'loss in property value' is decided by the market (i.e. how much people will offer for a property that is blighted by HS2). The blight-free value would be professionally estimated (using similar methods to existing schemes e.g. RICS 'red book' valuations, supported by an appeals process). If the blight-free value is not more than the best serious offer received, the owner would be required to pay HS2 Ltd the evaluation costs.

4. Applying new scheme to 'preferred route option'

To address the blight created by 11 March 2010 announcement, the new PBPS would apply on an interim basis to the 'preferred route option' with immediate effect.

These alternative arrangements contain certain regulating safeguards:

- By requiring HS2 Ltd to purchase blighted properties it is in their best interest to provide good information e.g. on effects of noise, vibration, etc. This limits speculation, as uncertainty depresses prices
- Having PBPS on the 'preferred route option' at this stage does not encourage unnecessary (i.e. additional) sales, because PBPS still applies if this route is chosen
- To maintain confidence in the property market on all potential routes, HS2 Ltd must be seen to be fair in how it operates the PBPS on the 'preferred route option'.