

Exceptional Hardship Scheme Consultation Response

This is an example letter – see text in italics for suggested response – please change to fit with your personal situation

Name:

Address:

Please try and make your response personal to your own circumstances and how it will affect you. Also please state in the space below why this is of interest to you:

Say clearly whether you are talking about your house or your business, write down how far from you the track will be. Say whether you will be able to see the track or just hear it or both. Remember to comment about the situation of the track – if it will be raised up as it goes past your house it will be very obvious and much noisier.

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 immediately as property values have been severely affected since the announcement of the preferred route on March 11th. The scheme must compensate all owners whose properties have lost value as a direct result of the above announcement. The scheme should apply to any route which is blighted during the planning of HS2 and should remain in force until after HS2 is built and operating.

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?

It needs to be clear which properties the scheme covers, and I think it should cover anyone who has suffered a loss in property value because of HS2. It is right to include small businesses as well as individuals; and also to include properties built above tunnels. It is fairer that everyone has the right to move if they want to, not just those who can prove they are moving for one of the EHS specified reasons.

I think all property owners should receive compensation at 100% of the pre blight market value of their home.

Please see the attached sheet which shows an alternative compensation scheme which I support.

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. I think the EHS proposed compensation scheme is unfair and the consultation period is unreasonably short. I think HS2 should agree to purchase any property which cannot be sold at full market price because of HS2. The scheme should include more than one independent valuation, and the property owner should be involved in the choice of valuers. We should be able to appeal any decisions about eligibility for the scheme or property valuation.

Please send responses to High Speed Two Ltd – Exceptional Hardship Scheme Consultation, 55 Victoria Street, London SW1H 0EU or email ehsconsultation@hs2.gsi.gov.uk

DEADLINE –20 MAY 2010

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'.
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