

HIGH SPEED TWO – EXCEPTIONAL HARDSHIP SCHEME

CONSULTATION RESPONSE FROM AYLESBURY VALE DISTRICT COUNCIL

Aylesbury Vale District Council has considered the consultation on the proposed introduction of an Exceptional Hardship Scheme alongside the proposals for High Speed Rail.

AVDC objects to the proposals for High Speed rail as set out in the Command Paper issued in March 2010 and does not feel that the business case for HS2 has been made. Therefore, without prejudicing the Council's position in relation to HS2 generally, it is commenting on the proposed Exceptional Hardship Scheme consultation.

Question 1

Should the Department for Transport introduce an Exceptional Hardship Scheme ahead of decisions on whether, and if so how, to proceed with a high speed route?

Yes, it is considered that a scheme is absolutely essential to protect the interests of **all** of those that may be affected by the proposed HS2 scheme. There is evidence to show that the proposals for HS2 are already having an impact on property prices and transactions along the preferred route and also on the other alternative routes identified. Blight is already being experienced because of the 'proposals' generally and there needs to be an appropriate mechanism to deal with this on a fair and just basis.

A scheme therefore needs to be operational as soon as possible following the close of the consultation to minimise the amount of uncertainty and real loss that this proposed scheme is generating in the local property market. It would not be acceptable for anyone affected by the proposals to have to wait until any route is safeguarded before being able to secure the full market price for their property, as this could be sometime into the future, even with the programme envisaged in the command paper.

AVDC has been made aware of the alternative compensation solution proposed by the HS2 Action Alliance and has commended this proposal. It would ask that the Government gives this early serious consideration. The proposed 'Government Undertaking' and 'Property Blight Protection Scheme' set out in the alternative compensation model proposed by the HS2 Action Alliance would appear to offer a workable and equitable model that should be applied to all national infrastructure schemes. It is simply unreasonable and unjust to expect those who are affected by the scheme through no choice of their own to in effect subsidize the true cost of a national project, as this undermines the basis on which the business case and model have been made.

Now is the appropriate time to consider realistic alternatives to the previous 'compensation schemes' and to change the unfair approach adopted in the past.

Question 2

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?

No. It is not entirely clear exactly what the proposed principles underpinning the proposed scheme are. The very fact that the scheme is referred to as the 'exceptional hardship scheme' indicates that this scheme is not meant to be applied equitably or fairly to all of those that are affected by the proposals but based on a subjective assessment of individuals circumstances and being able to prove hardship of some sort. The circumstances cited in para 2.14 are therefore too restrictive and unreasonable.

Principle - The principle of any compensation scheme should be that it is applied fairly to those affected and that should be the only qualifying criterion. To have to demonstrate 'hardship' of any kind in such a situation of compensation for loss of value due to a scheme deemed to be in the 'national interest' is simply not acceptable or equitable.

The only qualification for the scheme should therefore be whether the applicant can demonstrate and substantiate that the HS2 proposals have had an impact on the value of their property. This is the principle that is at the heart of the alternative compensation scheme proposed by the HS2 Action Alliance.

Paragraph 2.4 the consultation document acknowledges that "until {the Government} makes a decision on any high speed rail link there will be uncertainty as to whether the line will be built, exactly what route any such line would follow and which properties may need to be purchased to construct or operate it,..." and in 2.6 "...the Government accepts that those adversely affected should have access to some form of redress".

However paragraph 2.5 notes that "This means that in some cases there may be an effect on property values in the immediate vicinity of the **preferred route** option in the period before statutory protection is available." However these two paragraphs would appear to be contradictory as 2.4 and 2.6 acknowledge that until the route is confirmed there will be an impact on property values, but 2.5 suggests that this uncertainty would only be limited to the 'preferred route'. The scheme should not be restricted to the 'preferred' route only and should be applied to all of the identified routes.

Proximity - The proposed exceptional hardship scheme suggests that any properties above tunnelled sections should be excluded. Again this is not equitable and as the real impact on properties is not yet known, it is not fair that they should be excluded. If the principle of being able to demonstrate any loss due to HS2 can be shown then this is the only 'qualifying criterion' and there should not be a blanket exclusion for properties above tunnelled sections.

Close Vicinity – This is not defined and there needs to be a flexible approach to this. The exact vicinity of impact will vary depending on the precise circumstances. Again the first principle of whether any loss and impact on value can be demonstrated needs

to apply and this in turn will determine the vicinity that the scheme has impacted on. The scheme should also apply to those areas likely to be affected by some of the uses that will be ancillary to the effective operation of the railway including the maintenance depot and any service centres required along the route.

Property Type - The scheme should be applied to all types of properties affected and should not exclude businesses, farms or buy to let properties. The Council is particularly concerned about the impact of the proposals on businesses and many rural enterprises that operate along the routes identified. They are equally entitled to be compensated for any loss they may experience if they need/want to sell their property before a route is confirmed. Some businesses by their very nature could be severely impacted by the suggestions of HS2 and this must be reflected in any compensation scheme that comes in advance of the statutory measures.

Threshold Loss - It is not clear why a figure of 85% of the offer price has been chosen as one of the qualifying criteria. If it can be demonstrated that there is any impact of HS2 on the price offered, this should be the only qualification and property owners should not have to bear any loss. It is understood that other compensation schemes operated by BAA and others have no such threshold.

The alternative compensation model proposed by the HS2 Action Alliance would overcome all of these concerns.

Question 3

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

No. Any assessment panel needs to be entirely independent and should not just include 'independent Members' appointed by the Government. A body that is independent of the Government needs to be appointed to ensure that there is absolute transparency in the process, perhaps the RCIS.

The scheme should also allow for more than one independent valuation and also allow the property owner to obtain their own valuation. There should also be a clearly defined appeal process to allow for a review of the initial decision.

The alternative compensation solution proposed by the HS2 Action Alliance has considered all the shortcomings in the current arrangements and in the proposed EHS scheme relating to the operation of the scheme. We would recommend that before finalising the arrangements for any compensation scheme the Government and HS2 Ltd looks to meet with the HS2 Action Alliance and local partners to discuss in more detail how this could operate in practice. This would also provide the opportunity to understand the real benefits this would bring to all involved with this project and to ensure the property market continues to operate effectively in the areas already affected by the HS2 announcements.

19th May 2010