



## **High Speed Two – Property Compensation Consultation**

**30 September 2014**

### ***Response from Stoke Mandeville Action Group***

#### General comments

1. Stoke Mandeville Action Group is disappointed that the latest round of compensation proposals are far from fair and proportionate and fail to address the needs of those most affected. Whilst residents, with homes and property their largest assets, have an opportunity to respond, the Group questions whether the submissions will really influence and inform decisions.
2. Despite this being the fifth property compensation consultation carried out since March 2010, the Action Group has yet to see adequate compensation proposals that reflect the property markets impacted by HS2. The Group is concerned that some schemes are just reworkings of previous proposals, offering little more than what is already available.
3. Once more, the Government has failed to consider the total impact of construction and the disruption caused, particularly the combined effects of noise, dust, and vibration, loss of community assets, construction traffic, and road and bridge closures. The proposals fail to compensate areas blighted by construction, and focus on just a small number of individual households. Stoke Mandeville Action Group insists that the Government establish a Community and Environment Benefit Fund to address this failing
4. The Government claims to be “committed to providing full and fair compensation to those most directly affected by HS2”, but has done little to go beyond the National Compensation Code. The Action Group contends that HS2 is a unique and unparalleled project, something that should be reflected in compensation proposals. Instead the Government offers compensation similar to that for other local infrastructure schemes.
5. Respondents to previous consultations have preferred a property bond scheme and the Government’s own reports have showed that such a scheme could work and by using “a relatively generous boundary” could be fair. As this scheme is not proposed, residents face the prospect of worse blight, with losses expected to remain until the final phases of construction.



6. The same reports suggest that property blight began in March 2010 on the announcement of HS2 and will continue to 2022. Home owners therefore suffer blight for at least twelve years. The Action Group believes it is unreasonable for the Government to expect such people to retain their homes until values rally, at some undefined point in the future.
7. Most relevant for Stoke Mandeville is the report's assessment that blight will be highest "for high value properties where the number of potential purchasers is lower and their perception of value tends to be most affected by large infrastructure projects". In the County the average house value is £775,000, a long way from the national average. Stoke Mandeville also has a significant number of high value properties.
8. People should be free to move home, down size, re-mortgage or enjoy their property – this is a basic human right – and this should be enjoyed without finding themselves trapped in homes with an uncertain future value. Estimates suggest there are more than 170,000 properties within a kilometre of the HS2 route (Phase One), but only a small percentage of those blighted receive compensation, under the latest proposals.
9. HS2's business case has been bolstered on a number of occasions by enhancing possible or anticipated benefits and ignoring or overlooking real costs. The Action Group believes it is disingenuous for compensation to be limited, simply to enhance the project's poor and failing business case. If the project was truly in the national interest, such manipulation would be unnecessary.
10. Stoke Mandeville Action Group is disappointed that the Government has once again ignored the property bond. HS2 Ltd suggest that it would introduce uncertainty into the property market and does not offer a quick and clear conclusion for those affected. This view is rejected by the Action Group, which believes a property bond has been used successfully in the past to support the property market. The Government must seriously reconsider the introduction of a Property Bond to a distance of at least 500m.

***Question One – What are your views on the proposals for the alternative cash offer?***

11. For home owners 120 metres from the rail line, HS2 Ltd propose an 'Alternative Cash Offer', amounting to 10% of the property's value, from a minimum of £30,000 to a maximum of £100,000. This does offer an alternative to the Government buying a blighted property outright for its full unblighted value – the Voluntary Purchase Zone Scheme – but the Action Group fails to understand why the payment is capped.
12. The principle of a cash offer, for those who do not wish to sell and move is at first sight a positive step but as it only applies to those living in rural areas up to 120m from the centre of the railway line, it has very limited benefits. The Action Group wonders how many people



would choose to live so close to the line when an alternative is for the property to be bought by the Government at the full unblighted value.

13. There are no more than 1,000 properties within 120m of HS2, including those in the safeguarded zone. This compares unfavourably this with more than 170,000 homes within 1km of the line. The Action Group contends that 120m is a poorly judged distance, especially when Exceptional Hardship has been proved beyond one kilometre. Stoke Mandeville Action Group wants to see the Alternative Cash Offer extended to a wider zone.

***Question Two – What are your views on the proposals for a homeowner payment?***

14. Accompanying this consultation, a factsheet was published by the Government, suggesting that all areas through which HS2 passes will receive an economic boost. It should be noted that this does not accord with the work of KPMG who reported more than 50 places across the UK will be worse off – including Buckinghamshire. Buckinghamshire's losses are estimated between £14.82m and £92.95m.
15. Stoke Mandeville Action Group does not therefore understand how the Homeowner Payment Scheme can be about benefit sharing. Beneficiaries are those closest to HS2, eligibility is restricted to rural areas and to properties between 120m and 300m from the line, illustrating that this is no more than a rebadged compensation scheme.
16. Government work acknowledges that blight goes beyond 300m and Exceptional Hardship has been accepted for properties beyond 300m, and even beyond 1km. The proposed scope is therefore too restrictive, doing nothing to support affected landlords, businesses or communities.
17. In addition the proposed payments are offensive. They fail to compensate for the loss in value experienced by eligible homeowners. Based on average Buckinghamshire house values the proposed payments are between 1 and 3% of the average value (and much less for more expensive homes).
18. The Scheme does nothing to help those who want to move. For most blighted properties the 'Need to Sell' scheme does little to assist because of its restrictive criteria. An interesting comparator is the Exceptional Hardship Scheme which used similar criteria with only 149 properties in total accepted for purchase by HS2 Ltd during its four year operation.
19. Stoke Mandeville Action Group is disappointed that despite promises of "full and fair compensation to those most directly affected by HS2" the proposals actually prevent people from moving home and getting on with their lives. It is unacceptable that those most affected by HS2 are subsidising the scheme.