

**Jeremy Lefroy MP response to HS2 Phase Two: West Midlands to Crewe Property
Consultation 2015**

Introduction

The Stafford Constituency enjoys a mixture of countryside and town and enjoys some of the finest views in the region. It is also one of the worst affected constituencies by the proposals for Phase Two of HS2 (Birmingham to Manchester), now known as Phase 2a. The proposed route would pass through high grade farmland, tranquil estate parkland and will shave past local villages and split two villages and a popular golf course in two.

I continue to oppose HS2 but I understand that, should it proceed, the impacts of construction and operation of HS2 are minimised and that residents who are adversely affected are properly and fairly compensated.

I am concerned that the views of my constituents should be taken into full account. It has been brought to my attention that when considering the final proposed route, some very important submissions from my constituents have been disregarded. I am following this matter up.

Question 1: We believe that the compensation and assistance schemes that are available for Phase One of HS2 are also suitable for those living along the Phase 2a (West Midlands to Crewe) section of HS2. Are there any circumstances which you think should be considered to make the proposed schemes more suitable for the Phase 2a section of HS2? Please provide as much detail as possible.

It is my view that the compensation arrangements for Phase 1 have been completely inadequate. It is vital that the lessons are learnt and that a fair, even generous proposal is implemented. I have been particularly disturbed at what I believe to be the miserly attitude taken by HS2 whilst implementing the Exceptional Hardship Scheme in my constituency. A number of constituents have reported that HS2 have quibbled over the slightest issues, for instance, a boiler needing replacing, rotten fascia boards and even the state of the paint work! The key fact that seems to be ignored is that these house sales are not a normal transaction from seller to buyer, where the seller has chosen to sell and such issues as a new boiler would be considered. These transactions under the EHS have been because my constituents have found themselves trapped by a proposed scheme, not of their making or choosing. They were living in the wrong place at the wrong time and family breakdown or ill health, in many cases, has led them to have to consider selling their home to HS2. It is in these instances that I expect, not just as an MP, but as a taxpayer, HS2 to be generous to those people already affected by the project. Instead, we get HS2 valuers picking over properties, knocking thousands of pounds off here and there. In one case in my constituency, an elderly couple agreed to lose approximately £20,000 from the value of their home, just to get HS2 to leave them alone. They were left just wanting to get away from the village where they had lived most of their lives and raised their children. This is simply criminal and a real sea change must happen in the approach to compensation taken by HS2.

Turning to the proposals. The proposals for Express Purchase are acceptable and I welcome the decision to launch this component immediately.

I welcome the provision of Homeowner Protection. However, the exclusions set out at

paragraph 5.2.9 of the consultation document are incompatible with the objective of the scheme as set out at paragraph 5.2.8. Clause 5.2.9 should be deleted.

The proposals for Rent Back appear sensible. Annex B of the consultation document makes clear that, in order for the seller to rent back their property, the Government must first assess the property and bring it up to the minimum legal standards for renting. We ask that the Government arranges, where possible, for there to be continuity of occupancy during this process. To the families involved, the property will still be the family home, even if the legal title has changed. This transition needs to be handled with care and sensitivity and, wherever possible, be achieved without requiring participants to temporarily move out of their home with all or part of their possessions – only for the move to be reversed upon commencement of the rental agreement. It is also vital that HS2 does not attempt to knock down prices in order to bring the property up to rental standard. The Rent Back scheme must acknowledge that homeowners have only been put in their predicament by the proposal of HS2, not by any fault of their own. The Rent Back scheme must be generous and for the benefit of the homeowner.

I object to the Government's proposal for a fixed limit for the RSZ of 120m because it is too small and ignores the real effects of topology and characteristics of the line on the distribution of blight. In many areas through my constituency, the limitations of the RSZ are evident. For example, in Ingestre with Tixall Parish, which has been heavily impacted by the announcement of the route, and which will be seriously affected by the line, there are no properties that lie within the RSZ and only a very few are in the Homeowner Payment Zones. As a result, nearly all the parishioners who are adversely affected by HS2 only have recourse to help via the Need to Sell Scheme. As the submission from the Parish Council puts it:

“...under the discretionary parts of the scheme, a paltry £37,500 in total will be paid out to just three households who happen to live within 300m of the line. Additionally, none of the payments are in the form of compensation but, instead, are what is cynically described as: “an early share in the benefits of the scheme”. To offer a few thousand pounds to a minority of the property owners who have seen the value of their properties fall by tens of thousands, in some cases by more than a hundred thousand pounds, is an insult. HOP should be abandoned or substantially upgraded. There are over 100 properties, representing over half the population of the parish, within 1km of the route that are seriously affected by blight as a result of HS2. The only recourse, if any of these owners wish to move without incurring a significant financial loss, is currently the Exceptional Hardship Scheme (EHS) – which is to be replaced in late Spring 2016 by the Need to Sell scheme (NTS) following analysis of the responses to the present consultation.”

For the reasons given above, I also object to the proposals for a Homeowner Payment scheme, as well as the RSZ. Homeowner payments will be too small, too tightly confined and have no relationship at all to the blight experienced. I would instead encourage the introduction of a Property Bond, which I have previously stated. The benefit of the Bond would transfer with the property, meaning property purchasers could have the confidence of knowing that they are covered by compensation arrangements if the impact of the line reduces the value of their property. There would be no qualifying reason for sale, restrictions on proximity, noise etc, or threshold loss. The sole criteria would be whether or not there is a financial impact on the market value of a property due to HS2.

The Property Bond would inject confidence into housing markets which are currently paralysed, as buyers would have the confidence of knowing they would be able to sell their

property or be eligible for compensation in the future. The current hardship based scheme doesn't provide such confidence that the costs of blight will be addressed because anyone buying in the knowledge of HS2 is not entitled to EHS compensation should they need to sell in the future.

Question 2: What are your views on the proposed boundary of the Rural Support Zone (RSZ) at the south side of the A500? Please provide any alternative proposals and as much detail as possible.

This vague question has caused quite a lot of confusion and aroused further concerns about the consultation process. It was only after investigation that it was explained that it referred to plans to make the A500 at Crewe the boundary between "urban" to the north and "rural" to the south.

I have no opinion on this point.

Conclusions:

The proposed compensation packages are far too restrictive and will not benefit many people living in my constituency who will be adversely affected by this scheme. Although the proposed route will split two villages in half, with some residents benefitting from the proposed schemes, the geographical distribution of residents means that a good majority of my constituents who are affected by the route live within 1km of the line and will be adversely affected by it. However, the only scheme available to most of these people is the Need To Sell scheme, the provisions of which are overly restrictive. In fact, the main compensation packages for properties outside the safeguarded zone are inadequate.

I would much prefer the abandonment of the Need To Sell scheme in favour of a Property Bond scheme. If the Government is determined not to pursue this option, in spite of the widespread support for it and the low cost to Government, then the Need To Sell scheme needs complete revision in order that those hundreds, maybe thousands, of people, such as those in my constituency who have found themselves trapped in their homes thanks to the announcement of this project, can be properly compensated and can move on with their lives.