

Decision Record – HS2: Response to HS2 Property Compensation Consultation 2014

Cabinet Portfolio Holder taking the decision	Cllr Bob Stevens Health
Date of Decision (not before: 10 th Sept 2014)	10/09/2014

Decision Taken

That the Portfolio Holder for Health approves the County Council's response to the Property and Compensation Consultation.

Reasons for Decisions

The Government is seeking views on two new policies for owner-occupiers of property close to Phase One of HS2, i.e. the route from London to the West Midlands. These policies are the 'alternative cash offer' and the 'homeowner payment'.

An alternative cash offer to give owner-occupiers within the Rural Support Zone of 120 metres to the line (the zone within which the voluntary purchase scheme also applies) an alternative to selling their home and enabling them to stay within their community. Those in receipt of the alternative cash offer would receive 10 per cent of what would have been the un-blighted open market value of their property – capped at between £30k and £100k. This would launch by the end of 2014 and last until one year after the opening of the railway.

A homeowner payment is intended to share the benefits of the railway with rural owner-occupiers outside the Rural Support Zone but within 300m of the line by means of a cash payment. The Government would start to make payments upon Royal Assent to the High Speed Rail (London-West Midlands) Bill and this scheme would end one year after the opening of the railway in that area.

The property compensation consultation raises several issues for the Council on behalf of its residents and these are set out in Appendix A to the proposed decision report.

Background Information

The Government's response to the HS2 Property Consultation 2013 considered the public responses alongside the various benefits, potential risks and costs of the various schemes as against the policy criteria. It determined that the 'Property Bond Option' would not represent a satisfactory policy outcome either for property owner or the taxpayer. It also highlighted that although the alternative Voluntary Purchase Scheme (VPS) would be preferable, more should be done to assist property owners with a wish to stay in their homes. The Government also agreed that steps could be undertaken, outside of the context of property compensation, to spread the economic benefits of HS2 at an early stage.

On 9 April 2014, the Secretary of State for Transport launched a new property compensation scheme for homeowners close to the HS2 route from London to the West Midlands (Phase One) called 'express purchase', along with a new measure to accompany other property compensation schemes called 'rent back'. He also announced two further schemes that will come into effect later in the year - a 'voluntary purchase offer' and 'need to sell' scheme.

The Property Consultation 2014 is not inviting views on those schemes, but on two new policies for owner-occupiers of property close to the HS2 Phase One route. These policies are the 'alternative cash offer' and the 'homeowner payment'. The consultation is open to everyone but the adopted schemes will be only be available to those owner-occupiers of property close to the HS2 route who fall within the defined boundaries.

The other measures announced in April by the Secretary of State – the 'express purchase' scheme, 'voluntary purchase offer', 'need to sell scheme', and 'rent back' proposal are all discretionary schemes which will not be consulted upon. The Secretary of State has the power to launch discretionary schemes without consultation.

Summary of consultation questions:

- What are your views on our proposals for the alternative cash offer?
- What are your views on our proposals for the homeowner payment?

The schemes proposed in the Property Compensation Consultation 2014 would apply to rural areas of the Phase One of the HS2 route only. Comments are invited from all interested individuals or organisations. The closing date for responses is 30 September 2014. The documents are available to view on the Government website at

<https://www.gov.uk/government/consultations/hs2-property-consultation-2014>

Financial Implications

We acknowledge that the final property compensation scheme offer resulting from this consultation will have significant repercussions to the affected population's health, well-being and quality of life.

The Council recognises it is the Government's intention to provide additional compensation measures to property owners to soften the blow of HS2 being built in close proximity to their homes.

We expect the agreed property consultation policies and standards to be applicable for both HS2 Phase One and Phase Two to ensure consistency and fairness. In locations in the north of Warwickshire which are uniquely affected by the simultaneous construction period for both phases of HS2, we urge the Government to implement and apply the entire range of compensation measures early.

Report Author	Christopher Cresswell
Head of Service	Mark Ryder
Strategic Director	Monica Fogarty
Portfolio Holder	Councillor Bob Stevens

Checklist

Urgent matter?	No
Confidential or Exempt? (State the category of exempt information)	No
Is the decision contrary to the budget and policy framework?	No

List of Reports considered - please include link to report

Link to published proposed decision report:

<https://democratic.warwickshire.gov.uk/cm55/CalendarofMeetings/tabid/128/ctl/ViewMeetingPublic/mid/645/Meeting/3197/Committee/554/Default.aspx>

List of Background Papers - please include a contact for access to background papers

None.

Members and officers consulted or informed – please include any comments

Portfolio Holder – Councillor Bob Stevens
 All Strategic Directors
 Legal – Alison Hallworth, Vicky Newbold, Jane Pollard
 Finance – Liz Firmstone
 Equality – Minakshee Patel
 Democratic Services – Georgina Atkinson

Adult Social Care & Health OSC – party spokes:

Councillors Mike Perry, Maggie O'Rourke, Caroline Phillips and Kate Rolfe