



HS2 RESIDENTS' COMMISSIONER

Report 3 – February 2016

Summary

I have now been in post for 12 months, and this report will review progress by HS2 Ltd on the property schemes and the Residents' Charter, both of which were introduced in January 2015. Since then, substantial work has been undertaken with regard to the schemes; however, their implementation has also thrown up issues which remain to be resolved.

My recent actions

- Meeting MPs whose constituencies are affected by the line of route.
- Meeting local authority planners who will need to balance HS2's requirements and considerations with those of the individuals and communities they represent.
- Taking part in the Department for Transport (DfT)'s recently published Report on the Performance of the Need to Sell Scheme – Early Trends.
- Being involved in HS2's ongoing work into aspects of the process by which the schemes are operated.
- Reviewing HS2's progress to date on the property schemes and Residents' Charter.

Overseeing the Residents' Charter and property schemes

I was appointed to hold HS2 Ltd accountable for the way it communicates with residents who are affected by its proposals, particularly in regard to property measures, and to ensure that these communications take place in the clearest and plainest language possible.

In its Residents' Charter, HS2 Ltd undertakes to promote awareness of all its discretionary property schemes "so that anyone who may be eligible knows about them". As part of that, I also started to look at HS2 Ltd's wider engagement with the communities that it affects.



In my first report I looked at communications and made recommendations. These are the recommendations and my view of HS2 Ltd's progress in the past 12 months.

Widening public understanding

I recommended looking for ways to widen the public's understanding of the schemes:

- The schemes were launched in January 2015, and details were sent to all households within 1km of the line of route in rural areas and 300m of the line of route in urban areas.
- Changes to provide further clarification to the guidance and application forms for the three discretionary schemes (ie, the Rural Support Zone, Need to Sell and Exceptional Hardship Scheme) have been made since their inception and these documents were amended online in November 2015. These changes reflect feedback from the recent DfT review and from applicants, and are intended to provide greater clarification for applicants.
- At recent community engagement and information events for the Additional Provisions to the HS2 Bill for Phase One, experts from the Land and Property team were available to talk to people with concerns. Additionally, scheme booklets were available.
- HS2 intends to undertake a broader communication and awareness campaign for the property schemes during 2016.

Observation

In line with its charter commitment, HS2 Ltd should promote better awareness of the availability of the schemes to those potentially affected. Currently, only those who are newly affected by changes to the line of route – for example, from an Additional Provision or a change as a result of a Select Committee decision – are directly contacted by HS2 Ltd.

HS2 Ltd should undertake a widespread general information communication of all property schemes as early as possible in 2016 to ensure that all those affected are aware of the availability of the schemes. It should undertake a similar exercise at least every six months.



Property schemes

I commented on the various property schemes in detail in my second report. I have continued to monitor them, and have also participated in the recent reviews on aspects of the Need to Sell scheme.

Phase One Rural Support Zone

This is the area outside the surface safeguarded area and up to 120m from the centreline of the HS2 railway in rural areas. As of 31 December 2015, 69 applications had been received, of which 60 have been accepted and one is being assessed. The scheme appears to be working well, although the overall time taken for an acquisition, from application to completion, exceeds that for other schemes. Measures are being put in place to monitor the time taken at each stage of the process.

Phase One Need to Sell

The scheme is open to owner-occupiers who can show that they have a compelling reason to sell their property, but have not been able to do so – other than at a substantially reduced price – as a direct result of the announcement of the route of HS2.

As of 31 December, 139 applications had been received, of which 53 have been accepted and 36 are pending a decision. A further 13 applications have been withdrawn. Of those applications considered by the panel, 60% have been accepted.

Disappointingly, the time taken to reach a decision is longer than for the Exceptional Hardship Scheme – nearly eight weeks on average. Awareness of this issue is high and its causes are being closely monitored. In part, the reason is the need for the panel to be given all available information so that the correct decision can be reached. Points of clarification or additional documentation may need to be sought from the applicant, which can slow the process.



Phase Two Exceptional Hardship Scheme

This scheme is available to owner-occupiers who can show that they have an urgent reason to sell their property, without which they could suffer exceptional hardship, but have been unable to do so – other than at a substantially reduced price – as a direct result of the announcement of the proposed route of Phase Two.

As of 31 December, 230 applications had been received. Of those determined by the panel, 44% have been accepted, a rate which appears to remain relatively unchanging.

Property scheme issues and concerns

As part of my role, I hold regular meetings with the Chairman of HS2 Ltd to discuss emerging trends and concerns regarding the property schemes. These have recently included the following:

- Valuation of properties is an issue raised in connection with all three schemes. Homeowners qualifying for the schemes would prefer to use local valuers, who may be more aware of specific local issues than the HS2-appointed panel valuers. The DfT has stated that it is looking into this part of the process and will publish its findings early in 2016. Any change to the scheme on this point would only be to reflect this preference on the part of homeowners.

This concern has been ongoing since the original Phase One Exceptional Hardship Scheme was launched, and it continues to be a major cause for concern amongst applicants. I have discussed this with the Chairman and I support the proposal whereby homeowners could use local valuers with local knowledge, whilst HS2 Ltd would continue to use its panel valuers.

- 'No Prior Knowledge' – This is criterion 4 of both the Phase One NTS and Phase Two EHS. This criterion, which means that no owner-occupier who could have been aware of plans for HS2 can qualify for these schemes, is deterring new buyers for properties on sale. Any new buyer could not qualify for either scheme if they, in turn, were unable to sell the property other than at a substantially reduced

price, if they had a pressing or urgent requirement to sell the property. I am broadly supportive of an amendment to this criterion.

- Mortgage lenders – Some mortgage lenders are unwilling to lend on a property at potential risk of close proximity to HS2. For Phase Two (apart from the accelerated route between the West Midlands and Crewe), the ongoing uncertainty over the line of route is now affecting those wishing to remortgage, as well as those seeking new mortgages. HS2 is working with the Council for Mortgage Lenders. However, the line of route for the whole of Phase Two needs to be finalised before clarity can be given on the properties affected, which in turn will provide the degree of certainty that mortgage lenders are seeking. Once discretionary schemes similar to those already available for Phase One property owners are introduced, it is anticipated that mortgages are not refused solely as a result of proximity to HS2.

Community engagement

My initial report made three recommendations:

- Restore local engagement areas, each with an identifiable community engagement team.
- Re-establish working links with communities to share information.
- Promote more information days.

There has been limited progress on the first two of these, although HS2 Ltd is now starting to build the teams, with the intention that more dedicated resource will be in the field from Spring 2016. At the moment, this mainly applies to Phase One. Phase Two will be increasingly supported as the project in those areas moves towards the construction phase.

Nine information events in various locations were held between September and December 2015, and more than 2,500 people attended them. The event which I joined was well attended. The community received it positively, questioned the HS2 staff extensively and took away the plans and information available. A further nine events are





planned between February and April 2016, spread along the line of route. No further information events are currently planned beyond April.

Local authorities and MPs have asked for more information events to be held, so that those affected can discuss their particular concerns with HS2 Ltd staff. The level of attendance at the events so far demonstrates how much those affected both want and need to be informed. However, these events are very localised and those affected outside the immediate area do not currently have recourse to similar information or engagement.

HS2 Ltd has published a series of information papers which are available online and are periodically updated. These cover issues ranging from community relations to land acquisition policy. However, these are not widely known of, and should be better publicised as a further source of information for those affected.

Observation

The plans to recruit more personnel and to employ an outside body to support applicants have started, but are moving forward very slowly.

I have not yet had sight of how local engagement on Phase One will be taken forward from April onwards. However, I am aware that a detailed community engagement plan has recently been presented to the HS2 Board

This plan extends beyond the point at which the Bill for Phase One is expected to become law (which would allow construction to begin). I am continuing to press for more local information activity, similar to that already undertaken, for areas which have not yet been covered.



I have also seen the ongoing engagement activity for Phase Two, encompassing local authorities, parish councils, residents' groups and action groups. This is undertaken on a regular basis, using existing community meetings rather than a bespoke HS2 forum. This approach appears to be working well.

I am concerned that there is no forum for anyone who is not part of the Phase One petitioning process to have easy access to HS2 Ltd to resolve queries, other than through the telephone service offered by the HS2 Enquiries team. However, if the community engagement plan presented to the Board is implemented, the local community engagement will advance significantly.

Next steps

I will continue to monitor the property schemes and, in particular, any changes proposed by the Select Committee or the DfT. I will be attending a number of information events and the Phase Two (West Midlands to Crewe) property consultation to understand how HS2 Ltd continues to share information with the communities in question.

I will also work closely with the Land and Property team on their engagement plan for 2016 as the Bill for Phase One nears the end of the parliamentary process. There will be a particular focus on people whose homes may be acquired, be they owner-occupiers or tenants.



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