



Department
for Transport

Decision Document

Property Consultation 2014 for the London–West Midlands HS2 Route

January 2015





Decision Document

Property Consultation 2014 for the London–West Midlands HS2 Route

Presented to Parliament
by the Secretary of State for Transport
by Command of Her Majesty

January 2015

Cm 8991



Department for Transport

High Speed Two (HS2) Limited has been tasked by the Department for Transport (DfT) with managing the delivery of a new national high speed rail network. It is a non-departmental public body wholly owned by the DfT.

Department for Transport
Great Minister House
33 Horseferry Road
London SW1P 4DR

Telephone: 0300 330 3000

Website: www.gov.uk/dft

The Department for Transport has actively considered the needs of blind and partially sighted people in accessing this document. The text will be made available in full on the Department's website. The text may be freely downloaded and translated by individuals or organisations for conversion into other accessible formats. If you have other needs in this regard please contact the Department.

To order further copies contact:

DfT Publications

Tel: 0300 123 1102

Web: www.dft.gov.uk/orderingpublications

OGL

© Crown copyright 2015

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit nationalarchives.gov.uk/doc/open-government-licence/version/3 or write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or email: psi@nationalarchives.gsi.gov.uk.

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

This publication is available at www.gov.uk/government/publications.

Any enquiries regarding this publication should be sent to us at FAX9643@dft.gsi.gov.uk.

Print ISBN: 9781474112994

Web ISBN: 9781474113007

ID P2691901 01/15

Printed in the UK by the Williams Lea Group on behalf of the Controller of Her Majesty's Stationery Office.



Printed in Great Britain on paper
containing at least 75% recycled fibre.

Contents

1	Introduction	3
1.1	Background	3
1.2	What did we consult on?	5
2	The government's decision	5
2.1	Response analysis	5
2.2	What did we learn?	5
2.3	Cash offer	6
2.4	Homeowner payment	8
2.5	Behavioural Insight Sessions	9
2.6	Interaction with other schemes	10
2.7	Valuations	11
2.8	Tax	11
2.9	More information	11
3	Glossary	12



1 Introduction

1.0.1 This document is the government’s response to the property consultation 2014 for the London-West Midlands route. That consultation, which ran from 8 July to 30 September 2014, sought the public’s views on two proposals for additional measures to benefit owner-occupiers of rural properties near the line of route of Phase One of HS2. These proposals were the cash offer scheme (previously alternative cash offer) and the homeowner payment scheme, aimed respectively at giving choice to owner-occupiers within the rural support zone and at sharing the benefits of the railway early with owner-occupiers in rural areas beyond the rural support zone.

1.0.2 Both the cash offer scheme and the homeowner payment scheme policies were first proposed on 9 April 2014 in the *Decision Document Property Compensation Consultation 2013 for the London-West Midlands HS2 route*. In that document the Government also announced a package of property schemes, including:

- **Express purchase:** for owner-occupied properties within the safeguarded area. The safeguarded area typically extends to 60m around the railway line for most of its route, but can be narrower or wider to reflect local geography and engineering needs. On 9 April 2014, the government confirmed that we would be prepared to buy all owner-occupied property in this zone, as defined by the Town and Country Planning Act 1990, through an expedited process. This scheme was launched on 9 April 2014.
- A **voluntary purchase scheme:** for owner-occupiers of properties beyond the safeguarded area up to 120m from the railway in rural areas (excluding areas where there are bored tunnels), enabling them to ask the government to buy their homes at un-blighted market value. This scheme is now open to applicants.
- A **need to sell scheme:** for owner-occupiers who have a compelling need to sell their home but are unable to do so because of our plans to build HS2. There would be no outer boundary to this scheme. This scheme is open for applications and replaces the exceptional hardship scheme for Phase One, which is now closed. Property owners who are currently going through the process of the exceptional hardship scheme have been automatically transferred to the need to sell scheme.
- **Rent back:** is available if a property that the government has purchased under any of our schemes is suitable for letting. The previous owner can, if they wish, be considered for a Crown tenancy. This scheme was introduced on 9 April 2014.

1.1 Background

1.1.1 Measures to assist property owners and occupiers affected by new infrastructure have developed over the years through a mixture of statute, case law and established practice. These are referred to as the Compensation Code, of which the principal acts are the Land Compensation Acts 1961 and 1973 and the Compulsory Purchase Act 1965. These measures offer a sound basis for compensation for those affected by infrastructure projects, and have been widely and successfully employed for many years. These compensation measures are unaffected by the discretionary property schemes offered by HS2 Ltd, except that the express purchase scheme (as explained above) makes it quicker and easier for owner-occupiers within the safeguarded area to pursue the statutory blight measures.

- 1.1.2 While the government remains confident that this is an appropriate approach for the majority of infrastructure schemes, we have identified that for this particular project, it is appropriate to go beyond the measures set out in the Compensation Code, and to introduce further discretionary measures to assist those most directly affected by the project.

Summary of government commitments following consultation

- 1.1.3 Following this consultation, the government will launch both the cash offer scheme and the voluntary purchase scheme. The voluntary purchase scheme was announced on 9 April 2014, but both it and the cash offer scheme opened for applications from the date they were announced to Parliament by the Secretary of State for Transport.
- 1.1.4 If you would like to know more about either the cash offer scheme or the voluntary purchase scheme and how to apply, you can view further guidance and the application forms at www.gov.uk/claim-compensation-if-affected-by-hs2. If you would prefer a hard copy of these documents, please call 020 7944 4908 or e-mail hs2enquiries@hs2.org.uk
- 1.1.5 As set out in guidance at www.gov.uk/claim-compensation-if-affected-by-hs2, these schemes combine to give owner-occupiers the option of whether to sell their property to the government for its un-blighted market value (that is, for what it would have been worth had there been no plans for the railway) or to receive 10% of that un-blighted value and keep their homes. Both offers will remain open until one year after the trains start running.
- 1.1.6 Both schemes apply only to owner-occupiers within the rural support zone. The rural support zone stretches from the outer edge of the safeguarded area¹ (excluding areas where there are bored tunnels) up to 120m away. You can see the relevant maps at www.gov.uk/government/collections/hs2-property-schemes-maps-between-london-and-the-west-midlands.
- 1.1.7 The government has also decided to introduce the homeowner payment scheme, through which we are sharing the benefits of the railway early with owner-occupiers of properties in rural areas. This will open upon Royal Assent of the HS2 hybrid Bill.
- 1.1.8 Through the homeowner payment scheme, owner-occupiers of rural properties between 120m and 180m from the line of route (excluding areas where there are bored tunnels) will then be entitled to claim a payment of £22,500. Owner-occupiers of rural properties between 180m and 240m from the line of route will be entitled to claim a payment of £15,000, and owner-occupiers of rural properties between 240m and 300m from the line of route will be entitled to claim a payment of £7,500. You can see the relevant maps at www.gov.uk/government/collections/hs2-property-schemes-maps-between-london-and-the-west-midlands. These payments will not take inflation into account. As the purpose of the scheme is to enable sharing of benefits at an early stage of the project, we anticipate that payments will be taken up in a timely fashion after the scheme is implemented.

¹ To protect the proposed alignment of a road or railway from conflicting development, the Secretary of State can issue a direction, known as a 'safeguarding direction', under Articles 16(4), 25(1) and 29(6) of the Town and Country Planning (Development Management Procedure) (England) Order 2010. The aim of these directions, in the case of HS2, is to ensure that new developments do not affect the ability to build or operate HS2 or lead to excessive additional costs. Owner-occupiers of homes, small businesses and farms whose property falls within a safeguarded area have the right, under law, to serve a statutory blight notice, requiring the government to consider whether it is appropriate to purchase the property. You can find out more information about the existing statutory blight regime at: www.gov.uk/government/collections/hs2-safeguarding

1.2 What did we consult on?

- 1.2.1 Between 8 July and 30 September 2014, the government consulted on the two supplementary cash payment measures described below:
- A **cash offer scheme** for owner-occupiers within the rural support zone who are eligible for the voluntary purchase scheme; and
 - A **homeowner payment scheme** for owner-occupiers in rural areas beyond the rural support zone and within 300m of the line of route.

2 The government's decision

2.1 Response analysis

- 2.1.1 The government received 4,970 responses to this consultation from a range of individuals and organisations. Over 4,000 were standard or semi-standard organised responses and 111 came from organisations (for example, local authorities) with the remainder coming from individuals.
- 2.1.2 We contracted Dialogue by Design as an independent analysis organisation to collate and analyse these responses, and publish a detailed summary report outlining the main themes, comments and suggestions which were presented across the full range of consultation responses.
- 2.1.3 You can view the Dialogue by Design report in full at www.gov.uk/government/consultations/hs2-property-consultation-2014.

2.2 What did we learn?

- 2.2.1 In the consultation document we set the cash offer scheme and homeowner payment scheme in the context of already announced discretionary measures and statutory compensation. We also noted that we were not re-opening consultation on the schemes announced in *Decision Document Property Compensation Consultation 2013 for the London-West Midlands HS2 route*, but that we were seeking views on the cash offer and homeowner payment in the context of the schemes already announced.
- 2.2.2 Many responses set their views on the cash offer scheme and the homeowner payment scheme in the wider context. For example, many respondents stated their view that the government should revisit the decision not to implement a property bond, or argued in favour of a market normalisation mechanism, with others stating that the need to sell scheme was inadequate or arguing against HS2 in general.
- 2.2.3 Of the comments directly about the the cash offer scheme and the homeowner payment scheme, some welcomed the new proposals, at least in principle. Many others, however, were wholly against the policies or felt that the policies should be modified, with a common theme being that the proposals did not offer enough compensation to property owners.

2.3 Cash offer

- 2.3.1 A number of respondents argued for a change in the geographic limits of the cash offer scheme.
- 2.3.2 This was argued in a number of different contexts and for a number of different reasons. For example, many consultation responses stated that, in their view, urban areas had been unfairly excluded from compensation and would be more affected by HS2 than the government was currently recognising. Another argument was that as the owners of properties above tunnels can apply to the exceptional hardship and need to sell schemes, the government should also allow them to apply for the cash offer scheme. Others argued that property owners eligible for the need to sell scheme should have the option of applying to the cash offer scheme because they were the ones most in need of it. Other arguments were that the outer limit in rural areas should be set further out than 120m, set to reflect local geography, or that there should be no geographic limits at all, with any property owners affected by HS2 being able to qualify.
- 2.3.3 Another argument was that as the owners of properties above tunnels could now apply for the need to sell scheme, the government should also allow them to apply for the cash offer scheme.
- 2.3.4 As set out in the consultation document, a core aim of the cash offer scheme proposal was to offer property owners within the voluntary purchase scheme an alternative to selling their property to the government, so as to provide an incentive for them to remain in their community. It was not a re-consultation on the measures that were the subject of the *Decision Document Property Compensation Consultation 2013 for the London-West Midlands HS2 route*.
- 2.3.5 We do not consider that it would be appropriate to revisit the geographical limits of the voluntary purchase scheme because that would mean re-opening a decision taken after the Property Consultation 2013. Similarly, we do not think it is appropriate to include a cash offer variant to the need to sell scheme because that too would mean re-opening a decision taken after the same consultation.
- 2.3.6 A number of consultees also argued that property owners should be able to claim the cash offer and then later sell through the voluntary purchase scheme. This would, in our view, undermine the cash offer scheme's aim of increasing community cohesion because it would not incentivise property owners to make a commitment to remaining in their community. Property owners who take the cash offer are free to sell on the open market, but we do not think it would be appropriate to offer property owners a payment predicated on their remaining in their community and then offer to buy their homes.
- 2.3.7 An important aspect of the cash offer scheme is that it gives property owners in the rural support zone a choice between remaining in their home or asking the government to buy it. In light of the fact that the scheme will be open from January 2015 until one year after Phase One of the railway comes into operation, there will be no need for eligible home-owners to rush to apply for the cash offer scheme at a time when they are unsure whether they would prefer to ask the government to purchase their property. Owner-occupiers who have a compelling need to sell after taking the payment can apply under the need to sell scheme, in the event they are unable to sell their property on the open market. Therefore, we do not see any need to provide for

owner-occupiers who take the cash offer to later be able to ask the government to purchase their property under the voluntary purchase scheme.

- 2.3.8 Similarly, a number of respondents also argued that the eligibility should be extended to include, for example, larger businesses, second homes, properties that are rented out, tenants, or to those who will have bought before Royal Assent to the HS2 hybrid Bill. Here, too, we do not believe that it would, in general, be appropriate for the cash offer scheme to be open to categories of property owners who could not claim the voluntary purchase scheme, because that would not support the objective of maintaining community cohesion. As above, it would not be appropriate to re-open the decision about voluntary purchase scheme eligibility that was taken after the Property Consultation 2013.
- 2.3.9 Some respondents argued that the cash offer scheme should remain open for longer. We do not believe that it would be appropriate to extend the cash offer scheme beyond the time within which eligible owner-occupiers can apply to the voluntary purchase scheme. We also do not consider that it would be appropriate to revisit the time limits of the voluntary purchase scheme, because that would mean re-opening a decision taken after the Property Consultation 2013. In the *Decision Document Property Compensation Consultation 2013 for the London-West Midlands HS2 route* we noted that the voluntary purchase scheme was designed to assist property owners within the context of generalised blight caused by uncertainty about the actual effects the railway would have once it is operational. Moreover, one year after the line becomes operational, Part 1 compensation comes into effect. This allows property owners to seek redress for the direct impact of the railway on their home. It is therefore not appropriate for the scheme length to be extended beyond the point at which Part 1 compensation becomes payable.
- 2.3.10 Many respondents also argued that the proposed 10% level of the cash offer was insufficient and should be raised. Suggestions from consultation responses include, for example, raising the cash offer scheme percentage from 10% to 15%, 20%, or even 30%, with many respondents arguing that the cash offer scheme should more accurately reflect what they believed to be the effect of generalised blight on their homes.
- 2.3.11 As we have stated in the *Decision Document Property Compensation Consultation 2013 for the London-West Midlands HS2 route* we do not believe it is possible to assess fairly and accurately the true impact of generalised blight, not least because it is a temporary phenomenon based largely on the fears of individuals and perceptions of the railway's effect, which could be exaggerated.
- 2.3.12 We note that there is no consensus among respondents as to the level at which the cash offer scheme should, in their view, be set. Also, we note that this is reflected in the findings of the social research interviews that were held alongside this consultation. These interviews (highlighted in the consultation document under 'Behavioural Insights Sessions'), as set out below, include a very wide range of cash offer percentages that interviewees would consider adequate, with some stating that no level of cash offer would be sufficient.

- 2.3.13 Similarly, some respondents also noted their concerns about the proposed cap levels from the cash offer scheme, with both the minimum and the maximum being called into question. Here, too, there was no consensus as to how the caps should be set.
- 2.3.14 With this in mind, we consider that the best approach is to implement the cash offer scheme as consulted on. We continue to believe that it is important to offer to property owners an incentive to remain in their community. As we stated in the consultation document we recognise that communities thrive when families put down roots, when children are settled in school, when businesses can build up a customer base, when friendships grow over years. We want to give property owners within the rural support zone the opportunity to choose the course of action that would best suit them, and to make the right decision to fit their own circumstances. This is an innovative and, therefore, untested policy. As the evidence from the consultation and the social research interviews carried out for the Behavioural Insight Sessions is inconclusive on what the behavioural impact of a differently designed scheme would be, we consider the best approach is to implement the scheme as consulted on.
- 2.3.15 You can view the independent Brook Lyndhurst report into the Behavioural Insight Sessions in full at www.gov.uk/government/consultations/hs2-property-consultation-2014

2.4 Homeowner payment

- 2.4.1 Many respondents argued that the homeowner payment scheme should be extended to urban areas. As stated in the consultation document, the homeowner payment scheme proposal was developed because we expect that most concentrated economic benefits of HS2 will be felt in the areas near stations – largely urban areas – and will not be realised for a few years, given the scale of the project. We do not, therefore, believe that it would be consistent with the core aim of this policy to expand the homeowner payment to urban areas.
- 2.4.2 A number of respondents argued that the homeowner payment should be made available to non-owner-occupiers – for example, landlords. We continue to believe that it is more appropriate to share the benefits with those who have committed to an area by choosing to make it their home.
- 2.4.3 Some respondents argued that the area within which homeowners can apply for the homeowner payment scheme should be altered, with, for example, 500m or 750m being cited as possible distances. Another argument was that there should not be a set distance limit and that the areas within which the homeowner payment scheme applies should instead reflect local geography. There was, however, no consensus among those who responded to the consultation as to what the geographic limits (if any) should be. The arguments raised in favour of expanding the boundaries tended to be linked to blight, with respondents arguing that properties within these zones deserved higher levels of compensation to reflect the levels of blight. It is important to stress here that the homeowner payment scheme is not a compensation policy and that it is not intended to reflect blight – that is also why it is not graduated according to property value. Even if that were not the case, we do not believe it is possible to fairly and accurately assess the true impact of generalised blight, not least because it is a temporary phenomenon based largely on the fears of individuals and perceptions of the railway's effect, which may be exaggerated. As this too, like the cash offer

scheme, is a novel and untested policy, our considered judgement is that the distance levels set in the consultation document are reasonable.

- 2.4.4 Respondents also criticised the levels at which the homeowner payment is proposed to be set, with many arguing that it should be increased because it did not fairly reflect blight. As mentioned above, the homeowner payment scheme is not aimed at addressing blight, but at sharing the benefits of the railway early. Finally, there was no consensus among respondents as to the level at which it should be set. For all of the above reasons, our considered judgement is that the payment levels set out in the consultation document are reasonable.
- 2.4.5 Another point raised by respondents is that the owner-occupiers of neighbouring houses could receive different levels of homeowner payment and that could be perceived as unfair. We recognise that wherever a fixed boundary is applied as a means for determining eligibility for a property scheme, some individuals will qualify where others do not. While it is always appealing to attempt to create a more sophisticated boundary, to do so could introduce greater complexity and uncertainty. Therefore, we remain of the view that linking the availability of the homeowner payment scheme to set distances is the best approach.
- 2.4.6 A number of respondents also argued that the homeowner payment scheme should be opened to those who live near to maintenance depots and supply routes. We do not believe this would be appropriate because the homeowner payments are about sharing benefits and not about compensation.

2.5 Behavioural Insight Sessions

- 2.5.1 The social research interviews, introduced in the 8 July consultation document, ran in parallel with the consultation. They consisted of in depth interviews with households within the rural support zone, in order to gather a more in depth understanding of residents' reactions to the cash offer scheme, including how it might affect their behaviour.
- 2.5.2 Brook Lyndhurst, an independent research company, was contracted to facilitate the sessions and analyse the findings. In total, interviews with 42 households in the rural support zone were carried out. The sample was largely representative of households along all sections of the Phase One route and covered a range of ages, occupations, incomes and property values.
- 2.5.3 The property owners who volunteered for these interviews generally endorsed the introduction of the cash offer scheme option. They also stated their concerns about the entire package available for property owners in the rural support zone, making suggestions that broadly paralleled those in the consultation responses.
- 2.5.4 Interviewees also stated that their decision between cash offer scheme and voluntary purchase scheme would depend on the impact of construction and on their own personal circumstances. In many cases they stated that they could not come to a reasoned decision until they had a better understanding of how the construction and operation of HS2 would personally affect them and their families. The responses given in these discussions, along with all other relevant evidence and responses to consultation have been taken into account to inform the government decision on the schemes.

2.6 Interaction with other schemes

- 2.6.1 We also noted in the consultation document that we would welcome comments and considerations on two more detailed policy decisions relevant to the cash offer scheme and homeowner payment scheme.
- 2.6.2 The first was how to deal with cases where properties were partly within one zone and partly within another – for example, where a property was partly within the rural support zone and partly within a homeowner payment band. We noted that we did not believe it was appropriate for property owners in those circumstances to benefit from any form of double recovery.
- 2.6.3 The second was a similar issue. We proposed that when someone received a payment through the cash offer scheme or the homeowner payment scheme, and then made a successful application through the need to sell scheme, the government would recoup the payment from the need to sell purchase price. We made it clear that to do otherwise would disregard our obligations to the taxpayer.
- 2.6.4 We recognised in the consultation document that this would be a complex matter to get right, especially as successful applicants to the need to sell scheme are likely to be in a vulnerable situation. We noted that we were considering whether, for example, it would be more appropriate to reclaim 10% of the eventual sale price or the same (inflation adjusted) cash amount.
- 2.6.5 Relatively few respondents commented directly on these issues and there was no consensus as to the preferred approach to take. Therefore, we have been guided by our aim to act fairly towards property owners near the line of route, and our wider obligations to the taxpayer. We consider it would be self-evidently unfair if property owners who are on the boundary between two schemes, or have claimed via the homeowner payment scheme or cash offer scheme before applying to the need to sell scheme, were able to successfully claim twice from the HS2 discretionary schemes. Thus, we have set up a system to prevent this from happening, while leaving property owners' statutory rights unaffected.
- 2.6.6 We have considered a wide range of options for how the cash offer scheme or homeowner payment scheme should be reclaimed. This would apply to all cases where there is a subsequent sale to government, or if there were circumstances where someone received the cash offer but was also to serve a valid blight notice in respect of the whole of the property.
- 2.6.7 We considered options including, for example, reclaiming the same percentage of the property value, reclaiming the flat cash amount and reclaiming the cash amount inflated by the Retail Prices Index (RPI). We set aside the option of reclaiming the flat (un-inflated) cash amount, as we did not consider it fair to ask the taxpayer always to recoup less, in real terms, than had originally been paid out. We set aside the option of reclaiming the same percentage amount because in a rising market it would lead to the government reclaiming a larger sum (in real as well as nominal terms) than had been paid out. We do not believe this fair to property owners. We set aside the option of reclaiming a cash amount inflated by RPI or Consumer Price Index, as we could see no positive reason for using either inflation index in this context. We believe that the best approach is to reclaim the cash amount, inflated by what is known as the 'statutory interest rate'. This rate, set at 0.5% below the Bank of England base rate,

is used to calculate increases to compulsory purchase cases that have taken a long time to settle. As such, it is consistent with statutory law on compensation.

- 2.6.8 The precise mechanism through which this would happen is set out at www.gov.uk/claim-compensation-if-affected-by-hs2.
- 2.6.9 Claiming either the cash offer or the homeowner payment will not affect property owners' ability to claim compensation under the Compensation Code.

2.7 Valuations

- 2.7.1 The homeowner payment scheme is not linked to property values and therefore does not create a need for valuations.
- 2.7.2 Eligible property owners within the rural support zone (the area within which the cash offer scheme and voluntary purchase scheme apply) would make the decision to take the cash offer or voluntary purchase or neither only after having their property valued. This is because we recognise that it would not be reasonable to ask property owners to take this decision without being aware of the precise sums involved.
- 2.7.3 We also acknowledge that property owners should not be rushed into a decision and are therefore allowing them to take up to a year after the valuation to make the decision. Finally, should the property owner choose not to make the decision within that time limit, they would have the right to apply again later, but would have to pay £1,000 towards the new valuation of their property.
- 2.7.4 A number of respondents raised concerns about the valuation process. However, we do not believe it would be appropriate to re-open decisions taken in the *Decision Document Property Compensation Consultation 2013 for the London-West Midlands HS2 route*.

2.8 Tax

- 2.8.1 We expect that the majority of people who receive sums under the cash offer scheme or the homeowner payment scheme would not have to pay tax on the money they receive. Although the receipts may give rise to gains which are chargeable to capital gains tax, these gains will not be chargeable to the extent that the owner would be able to claim private residence relief if they sold their home on the private market.
- 2.8.2 There is an explanation of how private residence relief works on the HMRC website: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/323679/hs283.pdf

2.9 More information

- 2.9.1 Detailed information about all aspects of the implementation of the cash offer scheme and the homeowner payment scheme is set out in guidance at www.gov.uk/claim-compensation-if-affected-by-hs2. Further information on the homeowner payment is available at www.gov.uk/government/publications/hs2-property-schemes-between-london-and-the-west-midlands and details of the application process will be available following Royal Assent of the hybrid Bill.
- 2.9.2 Many respondents asked for more and clearer information with regard to the HS2 project and the impact of construction in their area. The government recognises the importance of providing information that is as clear and comprehensive as possible. If you require further information, please contact HS2 Ltd's Community Relations

Helpdesk on 020 7944 4908 (Monday to Friday, 9am to 5pm) or via email at: HS2enquiries@hs2.org.uk. The Independent Residents' Commissioner will also ensure that HS2 Ltd meets its commitment to the communication standards and personal support, as defined in the Residents' Charter.

3 Glossary

- 3.9.1 **Blight:** Planning proposals, such as HS2, which may have an adverse effect on property so that an owner-occupier is unable to realise the market value that would have been obtainable had the owner's land not been affected by the proposals because prospective purchasers, having learned of the planning proposals, either will not proceed with the purchase or will only offer a lower price.
- 3.9.2 **Compensation Code:** A collective term for the principles deriving from Acts of Parliament and case law, relating to compensation for compulsory acquisition.
- 3.9.3 **Hybrid Bill:** Public Bills change the law as it applies to the general population and are the most common type of Bill introduced in Parliament. Private Bills only change the law as it applies to specific individuals or organisations, rather than the general public. Groups or individuals potentially affected by these changes can petition Parliament against the proposed Bill and present their objections to committees of MPs and Lords. A Bill with characteristics of both a public and a private Bill is called a hybrid Bill. Such Bills are examined in Parliament by a combination of both procedures.
- 3.9.4 **Part 1 compensation:** Compensation which may be claimed by the owner-occupiers of dwellings, small business premises and agricultural units under Part 1 of the Land Compensation Act (1973) for any reduction in the value of their property as a result of the physical effects of the operation of the railway. This can be claimed only after the scheme has been open for one year.
- 3.9.5 **Safeguarding:** Safeguarding is a statutory process whereby Safeguarding Directions can be issued. It aims to ensure that new developments that may conflict with planned infrastructure schemes do not impact on the ability to build or operate that scheme (for e.g. HS2) or lead to excessive additional costs.
- 3.9.6 **Safeguarding Directions:** These are the mechanism by which the Secretary of State can protect the proposed alignment of a road or railway from conflicting development. The Secretary of State issues a safeguarding direction under Articles 16(4), 25(1) and 29(6) of the Town and Country Planning (Development Management Procedure) (England) Order 2010. Safeguarding directions are issued to Local Planning Authorities (LPAs) by the Secretary of State. Those LPAs are then required to consult with a body named in the directions (for example HS2 Ltd) before determining planning applications for land within the limits shown on the safeguarding plans attached to the directions, except where that type of application is exempted. These directions also trigger statutory blight and allow owners within the safeguarded area to serve a blight notice.
- 3.9.7 **Un-blighted open market value:** This is the value that a property would have on the open market if the cause of blight were removed – in this case if there were no plans for HS2.









ISBN 978-1-4741-1299-4



9 781474 112994

