
High Speed Two Phase 2b
Crewe to Manchester
West Midlands to Leeds
Property Consultation 2016



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Department for Transport

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Foreword – Rt Hon Chris Grayling MP



I have today announced the preferred Phase 2b section of the HS2 route. This covers the area from Crewe to Manchester in the west and West Midlands to Leeds in the east, with connections allowing HS2 trains to continue to other cities including Newcastle, Edinburgh and Glasgow.

A key component of HS2 is the land and property needed for the project. HS2 is an exceptional project. It is right therefore to have an exceptional support package for communities and businesses whose properties are affected by HS2.

A range of compensation and discretionary assistance schemes has already been rolled out in full to two of the three phases of HS2: Phase One and Phase 2a. The Government now intends to introduce those schemes to the third and final phase – Phase 2b – subject to a public consultation. Those schemes are described in this property consultation document.

The overall package of schemes proposed by the Government is generous and comprehensive. They reflect the complex and diverse circumstances affecting property owner-occupiers. They go beyond legal requirements and offer an effective means of helping those along the route of HS2 while seeking to protect the public purse.

To best support those on the preferred Phase 2b route, the Government has decided that two key schemes – Express Purchase and Need to Sell – should be introduced now. Express Purchase will support those whose properties are likely to be directly impacted by the line of route. The Need to Sell scheme supports those who are further away from the route, but still affected by it.

Many individuals and groups provided feedback on our compensation and assistance measures for Phase One and 2a. This was welcomed, and helped us to understand the issues of most concern to those affected by HS2 and to make some adjustments to our proposals. I therefore strongly encourage you to add your weight to this engagement process and help shape Government policy by responding to this consultation.

A handwritten signature in black ink, appearing to read 'Chris Grayling', written in a cursive style.

The Rt Hon Chris Grayling MP
Secretary of State for Transport

Executive summary

The Government has published its preferred route for Phase 2b of HS2. Alongside this announcement, this document sets out plans to provide assistance to affected communities and businesses located on or near the route and is subject to a public consultation launched today.

Details about all of the proposed HS2 Phase 2b schemes are set out in section 6 and summarised at the back of this document in Annex B. These are based on the schemes currently in operation on Phase One and Phase 2a¹.

The Government is introducing two key schemes immediately: Express Purchase and Need to Sell. This is to avoid any unnecessary delay in getting assistance to those with a statutory entitlement or a compelling reason to sell their property.

Subject to the outcome of the consultation, we expect the confirmed schemes will be implemented in full in 2017 and are expected to run until one year after this part of the railway is fully operational, which is anticipated to be in 2034.

This consultation document is split into two parts.

Part A is specifically related to the preferred Phase 2b route and looks at two key areas:

1. The schemes to be applied to the route

The consultation invites comment on the schemes that the Government has proposed for the preferred Phase 2b route, and whether they are appropriate. The Government asks if changes should be made to them and what alternatives should be considered.

2. The boundaries between the rural and urban areas of the route

Some of the schemes that the Government proposes will only apply in rural parts of the preferred Phase 2b route, and the document therefore sets out the planned boundaries between rural and urban areas. Comments on these are welcomed.

Part B of the consultation document considers a specific criterion of the Need to Sell scheme relating to 'no prior knowledge' of HS2.

Timing and engagement

The consultation will run until 9 March 2017. Details on how to respond are outlined in section 10.

There will also be a number of consultation events along the preferred Phase 2b route where you can talk to HS2 Ltd staff about the proposals. The programme of events can be found at www.gov.uk/government/collections/hs2-events.

¹Phase One schemes can be found online below:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/301522/cm_8833.pdf

Phase 2a schemes can be found online below:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/525411/west-midlands-crewe-property-consultation-2015-print-version.pdf

1 Consultation questions

Under Part A of this consultation, the Government is inviting responses to the following questions in relation to the preferred Phase 2b route:

Question 1

The Government believes the proposed schemes outlined in this document (Property Consultation 2016) provide a comprehensive package of assistance and compensation to communities along or near the preferred Phase 2b section of HS2. Are there any factors which you think should be considered to make the proposed schemes more suitable for the preferred Phase 2b section of HS2? Can you suggest any ideas you may have to improve the package of compensation and assistance schemes for the preferred Phase 2b section of HS2?

Please provide as much detail as possible.

Question 2

The following questions relate to the proposed rural and urban boundaries along the preferred Phase 2b section of HS2. See map on page 7 for an outline of the five proposed rural/urban boundaries along the preferred Phase 2b route.

Western Leg

- a. What are your views on the proposed boundary of the Rural Support Zone (RSZ) at the southern end of the Western Leg (to the north of Crewe)?
- b. What are your views on the proposed boundary of the RSZ in southern Manchester on the Western Leg?

Eastern Leg

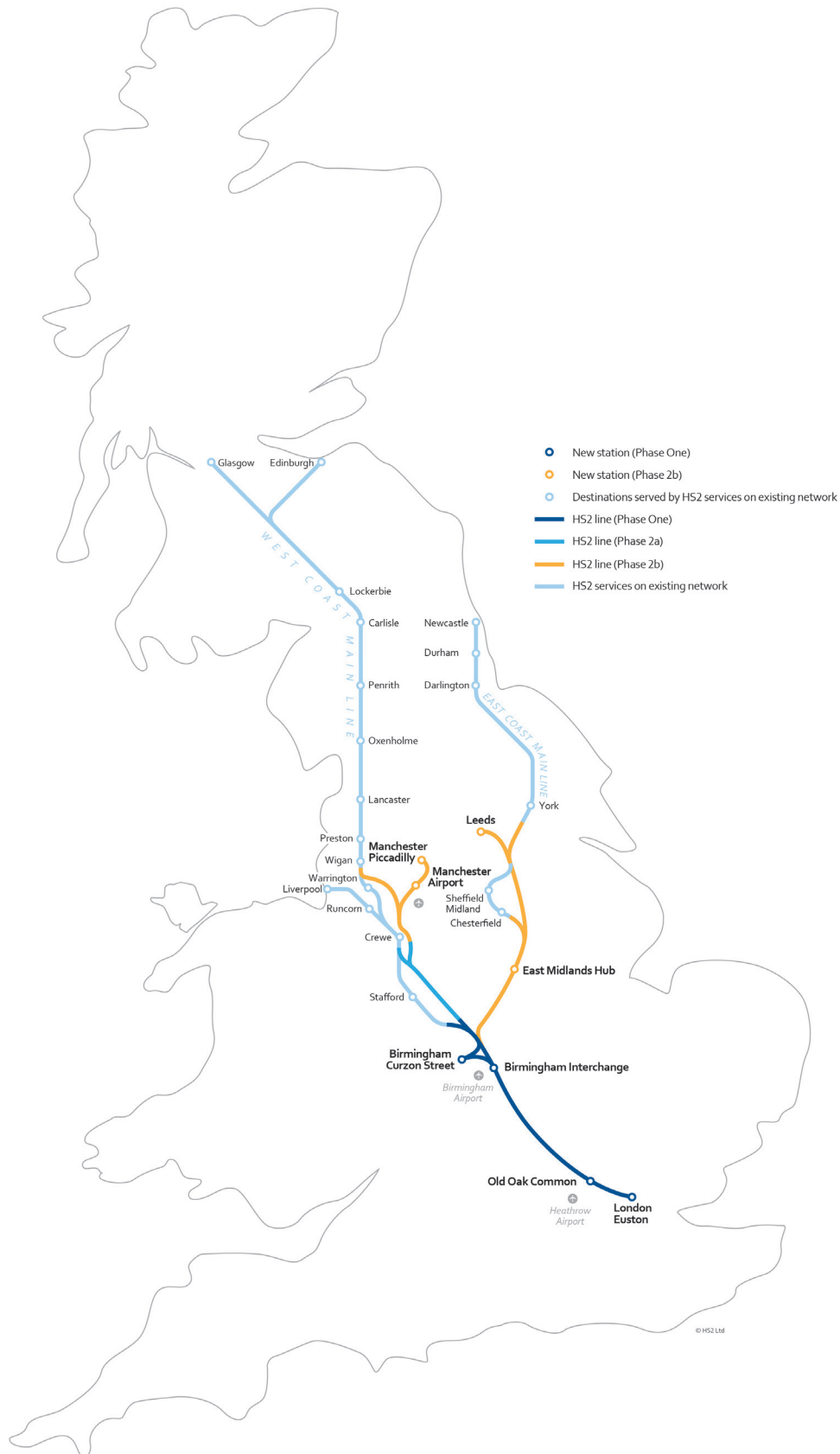
- c. What are your views on the proposed boundary of the RSZ in south Long Eaton, on the Eastern Leg?
- d. What are your views on the proposed boundary of the RSZ north of Trowell, on the Eastern Leg (west of Nottingham)?
- e. What are your views on the proposed boundary of the RSZ south east of Leeds, on the Eastern Leg?

For Part B of the consultation the Government is inviting views on the following in relation to the 'no prior knowledge' date for the Need to Sell scheme.

Question 3

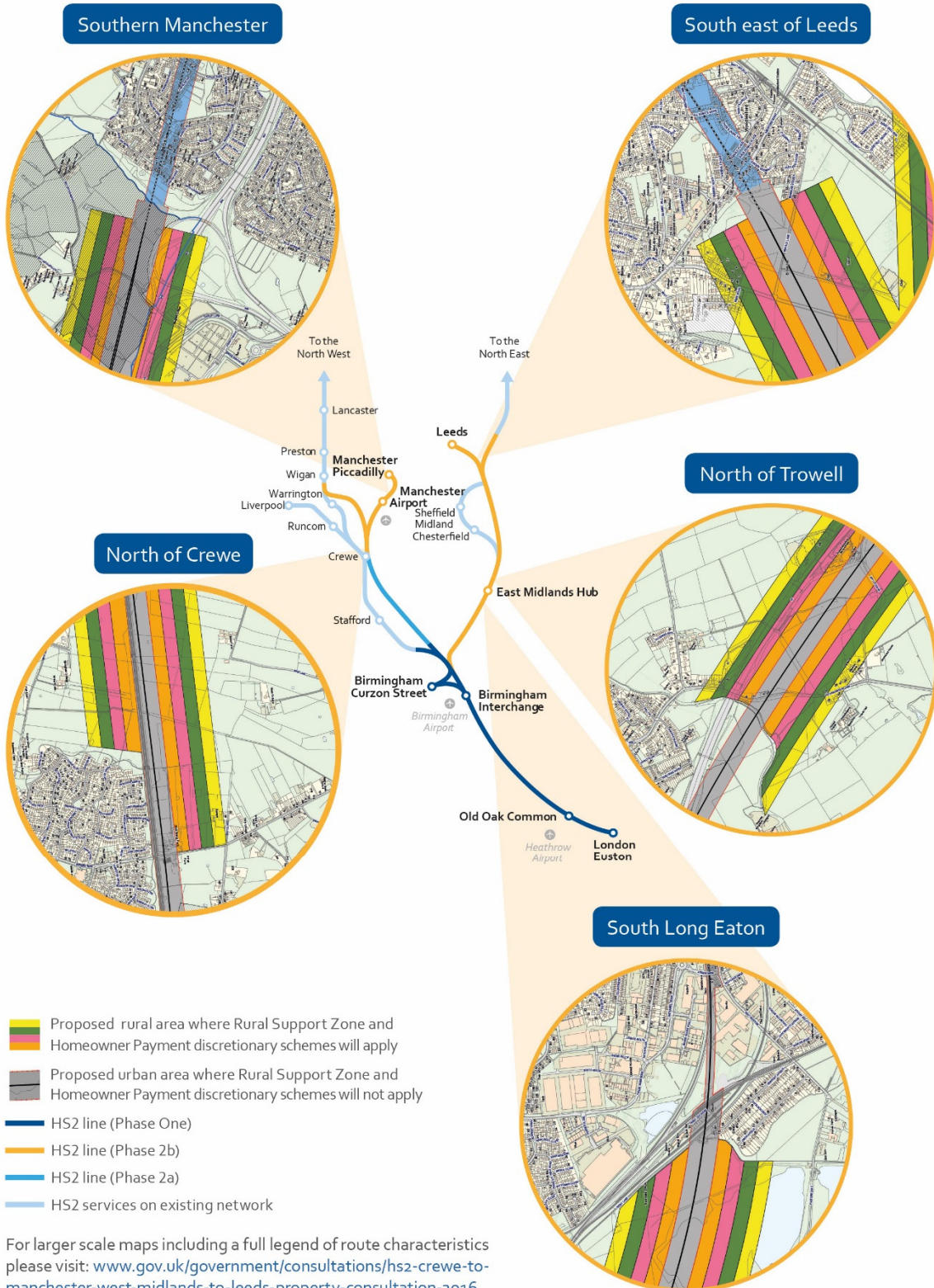
Do you have any comments on the current operation of the 'no prior knowledge' criterion in relation to the Need to Sell scheme? Do you believe changes should be made to this criterion and if so, what changes should be made and why?

2 Preferred Phase 2b route map



3 Proposed urban and rural boundary map

Summary map showing proposed boundaries between the rural areas and urban areas of the Phase 2b preferred route



4 Phase 2b route update

- 4.1.1 Alongside this property compensation and assistance scheme consultation, the Secretary of State for Transport has today announced the preferred Phase 2b route. This announcement confirms the majority of the route on which a decision has been made and those sections of the Phase 2b route which are now the subject of further route refinement consultation.
- 4.1.2 Safeguarding Directions, which are issued to protect the Phase 2b route against conflicting development, have also been announced for the entire preferred Phase 2b route.
- 4.1.3 Subject to the outcome of the Phase 2b route refinement consultation, the remainder of the 2b route will be confirmed alongside the launch of our package of property compensation and assistance schemes for Phase 2b in 2017.
- 4.1.4 Full details of today's route announcement on the preferred Phase 2b route can be found at www.gov.uk/hs2
- 4.1.5 Both the Phase 2b route refinement and property scheme consultations close on 9 March 2017.

5 About this consultation

This consultation document is split into two parts:

- Part A considers the package of assistance proposed for Phase 2b
- Part B looks at the current operation of one part of the Need to Sell scheme

5.1 PART A. Package of assistance and compensation for Phase 2b: the proposed schemes

5.1.1 Each of the measures outlined in this consultation is in addition to the statutory compensation available under the Compensation Code. Statutory compensation is outlined in Annex A. The Government considers that the scale and impact of the HS2 project justifies an assistance package in relation to land and property on or near the route that goes further than the Compensation Code.

5.1.2 The Government is seeking the views of communities and other relevant stakeholders, in particular those along or near the line of the preferred Phase 2b route, on our proposal to implement long-term property compensation and assistance schemes, based upon those implemented for Phase One and 2a. The proposed schemes would fully replace the Exceptional Hardship Scheme, which has been in place for Phase Two of the HS2 route since 2013. The proposed schemes are:

- Express Purchase See page 12
- Extended Homeowner Protection Zone See page 13
- Need to Sell See page 13
- Rural Support Zone (option of cash offer or voluntary purchase) See page 14
- Rent Back See page 15
- Homeowner Payments See page 15

5.1.3 To avoid any unnecessary delay in getting assistance to those with a statutory blight claim or a compelling reason to sell their property to the Government, the Express Purchase and Need to Sell schemes have been put into operation from today on an interim basis for the preferred Phase 2b route, although their continued operation is subject to the outcome of this consultation. The Need to Sell and Express Purchase schemes, along with all other proposed compensation and assistance measures, would be confirmed, or confirmed with changes, to reflect the outcome of this consultation.

5.1.4 A decision on the final proposed package of Phase 2b compensation and assistance schemes is expected to be made in 2017.

5.1.5 The Government is also seeking the views of the public on the proposal to apply the following specific measures to properties above deep tunnels on the preferred Phase

2b route. The proposed measures are the same as those available on Phase One and 2a and are:

- 'Before' and 'after' surveys See page 17
- Settlement deeds See page 17
- Purchase of subsoil rights See page 18

5.1.6 The compensation and assistance measures set out in this document are intended primarily to assist residential owner-occupiers and small businesses. It remains the Government's view that larger businesses and investment properties should remain outside the scope of the discretionary compensation and assistance measures. Generalised blight has a lesser effect on investment or commercial property than it does on owner-occupied property, and therefore we remain content that such properties should not be eligible.

5.2 Rural and urban boundaries

5.2.1 This consultation document also outlines the sections of the preferred Phase 2b route that the Government considers are rural or urban, and views on these are welcomed.

5.2.2 The urban areas identified can reasonably be expected to benefit more directly from HS2 once it is built as they will generally be closer to HS2 services. We expect the rural areas we have identified will generally suffer more prolonged and negative effects of generalised blight on the property market. This is because in rural areas there is usually less existing transport infrastructure and building densities are lower, so the impacts of HS2 are likely to be felt further away than would be the case in urban areas. The Government has already established boundaries for the areas considered to be rural for Phase One and 2a routes, which were refined following feedback from previous property consultations.

5.2.3 The Government welcomes views on the maps of the five rural/urban boundaries that are proposed for the preferred Phase 2b route, which are outlined in Question 2.

5.3 PART B. Need to Sell - 'no prior knowledge' criterion

5.3.1 The second part of the consultation document considers the current operation of the Need to Sell scheme relating to the 'no prior knowledge' criterion. The Government wishes to consider if the 'no prior knowledge' rule for the Need to Sell scheme is still fair, or whether there are circumstances in which the Government should allow people who had 'prior knowledge' of HS2 to be able to access the Need to Sell scheme.

6 Part A: Discretionary property compensation and assistance: Government proposal for the preferred Phase 2b route

The first part of this consultation invites comment on the property compensation and assistance schemes the Government has proposed for the preferred Phase 2b route and whether they are appropriate. These schemes are outlined in this section.

6.1 Development of the discretionary property schemes for HS2

6.1.1 The Government has adopted a number of criteria to evaluate the options for long-term discretionary property compensation and assistance measures. They are:

- **Fairness** – the Government should ensure that owner-occupiers whose properties (and property values) are most directly and specifically affected by the proposals for HS2 are eligible for compensation; and that those eligible for compensation receive fair and reasonable settlements reflecting the location and circumstances of their property.
- **Value for money** – the Government should ensure that HS2 property schemes are likely to offer satisfactory value for money to the taxpayer, are affordable, do not involve disproportionate expense, and that any risks relating to the costs of property schemes can be effectively managed within HS2's long-term funding settlement.
- **Community cohesion** – the Government should maintain, as far as practicable, the stability and cohesion of communities along the route, for example by:
 - enabling existing residents to remain in their homes where possible;
 - minimising the potential adverse effects of significant population turnover associated with multiple short-term tenancies;
 - ensuring that there is the best understanding about the likely effect of the railway on the enjoyment of properties; and
 - by compensating those most affected by the project on a fair and reasonable basis.
- **Feasibility, efficiency and comprehensibility** – the Government should devise clear and easily explained rules so that homeowners can readily understand their entitlements and the Government can predict how costs will be determined in any individual case. It is important also to have assurance that any scheme can be administered efficiently and effectively to provide good customer service for those whose property is affected by the railway.
- **Functioning of housing market** – the Government should enable local

residential property markets to function as normally as possible during the development and construction phases of the project

- 6.1.2 The Government believes that the package of compensation and discretionary assistance schemes meet the above criteria and therefore proposes that they are replicated for the preferred Phase 2b route.

6.2 Proposed property compensation and assistance schemes

Express Purchase

- 6.2.1 Express Purchase is a scheme that relaxes some of the criteria of the Statutory Blight (see Annex A) regime. Under that regime, an owner of a property situated within the safeguarded area may be eligible to serve a blight notice, thereby requiring the promoter of the scheme (in this instance, the Secretary of State for Transport) to buy their property prior to it being needed for the project. The Express Purchase scheme does not alter the basis of statutory compensation that such an owner-occupier is entitled to receive; but it does streamline the procedure for serving a blight notice, in the following respects:

- Express Purchase simplifies the assumptions on the physical extent of the property that must fall within the safeguarded area to trigger the automatic acceptance of a blight notice; and
- Express Purchase absolves the owner-occupier of the need to demonstrate reasonable endeavours to sell the property.

- 6.2.2 In residential cases, the Government will assess whether any part of the dwelling is within the safeguarded area. If it is, Express Purchase will apply. If no part of the dwelling is within the safeguarded area, but more than 25 per cent of the overall property (i.e. the whole of the property, including the house or flat, garden and land) is within the safeguarded area, Express Purchase will apply.

- 6.2.3 If less than 25 per cent of the overall property is within the safeguarded area, the application will be assessed using the normal rules of the Statutory Blight regime. Under those rules, HS2 Ltd will assess whether any part of the overall property needs to be acquired for the construction or operation of the railway. An assessment would be undertaken in each case to identify whether the part proposed to be acquired can be taken without 'seriously affecting the amenity or convenience' of the dwelling. It should be noted that tests for whether it is appropriate to take part are different for commercial and agricultural properties. Further information regarding so-called 'material detriment' can be found at:

http://www.voa.gov.uk/corporate/publications/manuals/landcompensationmanual/se_ct15/f-lc-man-s15-pn1.html

- 6.2.4 To avoid any unnecessary delay in getting assistance to those eligible for the Express Purchase scheme, the scheme has been introduced with immediate effect. Its continued operation is subject to the outcome of this consultation.

- 6.2.5 Further details of Express Purchase can be found online in the scheme guidance <https://www.gov.uk/claim-compensation-if-affected-by-hs2>

Extended Homeowner Protection Zone

- 6.2.6 As the design of the Phase 2b scheme increases in detail, it is likely that some additional land will be safeguarded and that some land previously safeguarded will no longer need to be acquired.
- 6.2.7 Where a property is later removed from safeguarding, the Government proposes that, as with Phase One and Phase 2a, an eligible owner-occupier would continue to be eligible to apply for purchase under Express Purchase for a period of five years from the date the property ceases to be affected by the directions. The objective of this is to ensure that property owner-occupiers affected in this way have sufficient time to consider their options, and adjust or carry out any long-term plans they may have made based on an expectation of compensation.
- 6.2.8 This measure would not be expected to apply where the Government changes safeguarding because the line of route changes significantly or it is put into a deep tunnel.

Need to Sell

- 6.2.9 The Government is extending the Need to Sell scheme to apply to the Phase 2b route on an interim basis; and withdrawing the Exceptional Hardship Scheme. Depending on the outcomes of the preferred Phase 2b property consultation, the Need to Sell scheme will be in place until one year after the Phase 2b railway is fully operational, which is currently expected to be 2034. This scheme will be available to eligible owner-occupiers who can demonstrate that they have a compelling reason to sell their property, but have been unable to do so – other than at a substantially reduced price, as a direct result of the announcement of the route of HS2.
- 6.2.10 The Need to Sell scheme has no geographic boundary, and for successful applicants, the Government would agree to buy their property for its full un-blighted market value.
- 6.2.11 The scheme currently includes a 'no prior knowledge' criterion which is in place in order to avoid abuse of the Need to Sell scheme by individuals buying a property at its blighted value in order to sell it to the Government at an un-blighted value later, profiting from the difference. This protects the interests of taxpayers.
- 6.2.12 When assessing eligibility under the Need to Sell scheme, the Government will consider whether a purchase was made with foreknowledge of the proposals for the preferred Phase 2b route. The dates for establishing this are:
- 28 January 2013 - For parts of the Phase 2b preferred route that were first outlined in the Phase Two initial preferred route on 28 January 2013.
 - 7 July 2016 – For parts of the Phase 2b preferred route that were first outlined in the HS2: Sheffield and South Yorkshire Report 2016 (July 2016).

- 15 November 2016 - For parts of the Phase 2b preferred route that were not published on 28 January 2013 or 7 July 2016 but are part of the preferred route published on this date.

6.2.13 This is because the proposals for the railway will normally register on the searches undertaken by an applicant's solicitor prior to the purchase of a property. The Government already applies discretion for applications where it is demonstrated that a purchase after this date did not include knowledge of the proposals.

Rural Support Zone – Voluntary purchase and Cash offer

6.2.14 The Rural Support Zone (RSZ) would be created outside the safeguarded area and up to a fixed distance of 120m from the centre line of the railway in rural areas wherever the railway does not operate in deep tunnel.

6.2.15 In circumstances when safeguarding extends more than 120m from the centre line, the fixed boundary distances for the RSZ (60-120m from centre line of the railway) would remain unchanged.

6.2.16 Question two in this consultation (see page 5) outlines the proposed rural/urban boundary for the preferred Phase 2b route. The RSZ would apply to those rural areas close to the Phase 2b route which the Government considers likely to be affected as described in paragraph 5.4.2 above, except where the line will run in deep tunnel.

6.2.17 Within the RSZ, eligible owner-occupiers would have the option of two schemes:

- **Cash offer** – the option of a lump-sum payment equal to 10 per cent of the un-blighted open market value of their property (from a minimum of £30,000 to a maximum of £100,000); or
- **Voluntary purchase scheme** – under which eligible owner-occupiers can require the Government to purchase their property for its full un-blighted open market value.

6.2.18 When assessing the eligibility requirements for 'no prior knowledge', the Government applies the same terms for RSZ as it does for the Need to Sell scheme. The dates for establishing this are:

- 28 January 2013 – for parts of the Phase 2b preferred route that were first outlined in the Phase Two initial preferred route on 28 January 2013.
- 7 July 2016 – for parts of the Phase 2b preferred route that were first outlined in the 'HS2: Sheffield and South Yorkshire Report 2016' (July 2016).
- 15 November 2016 – for parts of the Phase 2b preferred route that were not published on 28 January 2013 or 7 July 2016 but are part of the preferred route published on this date.

6.2.19 Further details on the RSZ can be found online in the scheme guidance at the following address:

www.gov.uk/claim-compensation-if-affected-by-hs2/cash-offer-or-voluntary-purchase-scheme

Rent Back

- 6.2.20 This is a scheme for people who, having sold their homes to the Government under any of the HS2 property schemes, would find it helpful to remain in residence as tenants, subject to a commercial letting suitability assessment. It will provide those wishing to remain in their community in the short term with the option to do so. It will also help those seeking to buy a property elsewhere to be well placed to do so quickly. Rent Back is designed to provide flexibility and reassurance, and to benefit both individual homeowners and the wider community.
- 6.2.21 Decisions on whether a Rent Back agreement can be made will depend on a value-for-money test, and a satisfactory credit referencing check. The applicant must also meet the following two conditions:
- The costs of the property, once assessed, must make maintaining the property a reasonable use of taxpayers' money; and
 - The Government must follow its own regulations on rented properties, ensuring they are safe and suitable for tenants. The Government applies a 'lettable standard' that is higher than for a normal landlord or property owner.
- 6.2.22 Further details of the Rent Back scheme can be found online in the scheme guidance at the following link:

<https://www.gov.uk/claim-compensation-if-affected-by-hs2/rent-back-scheme>

Homeowner Payment scheme

- 6.2.23 The Homeowner Payment scheme will be available following the date of Royal Assent to the legislation that authorises the Phase 2b project, currently anticipated to be in 2021/2022. It will be available to eligible owner-occupiers between 120m and 300m from the centre line of the railway in rural areas, with the exception of those in an area where the line will run in deep tunnels. The scheme will pay a lump-sum cash payment of £7,500, £15,000 or £22,500, depending on proximity to the route.
- 6.2.24 Although the Government expects that the UK as a whole will receive an economic boost from the proceeds of growth from HS2, it is acknowledged that the most concentrated economic benefits are likely to be in the areas around and near stations - largely urban areas. The aim of the Homeowner Payment scheme is to ensure that owner-occupiers in rural areas adjacent to the RSZ and up to 300m from the line of route (the Homeowner Payment zone) receive an early share in the benefits of HS2.
- 6.2.25 If any part of a dwelling or at least 25 per cent of the land comprised in an eligible property is within the Homeowner Payment zone, the owner-occupier will be eligible under the scheme and may apply for a Homeowner Payment. The level of payment is determined by the band within which a dwelling sits:
- Homeowner Payment Band 1: For properties between 120m and 180m from the line of route – £22,500
 - Homeowner Payment Band 2: For properties between 180m and 240m from

the line of route – £15,000

- Homeowner Payment Band 3: For properties between 240m and 300m from the line of route – £7,500

6.2.26 If the dwelling itself is in more than one band, then it will qualify for the higher Homeowner Payment. If a dwelling is outside the Homeowner Payment zone but 25 per cent of the hereditament falls within it, then it will be eligible for a payment of £7,500.

6.2.27 The scheme includes a 'no prior knowledge' criterion, which ensures that there will only ever be one cash payment under the Homeowner Payment scheme per property. As is the case with other property schemes, when assessing eligibility under Homeowner Payment the Government will consider whether a purchase has been made with foreknowledge of the proposals. The dates for establishing this are:

- 28 January 2013 – for parts of the Phase 2b preferred route that were first outlined in the Phase Two initial preferred route on 28 January 2013.
- 7 July 2016 – for parts of the Phase 2b preferred route that were first outlined in the 'HS2: Sheffield and South Yorkshire Report 2016' (July 2016).
- 15 November 2016 – for parts of the Phase 2b preferred route that were not published on 28 January 2013 or 7 July 2016, but are part of the preferred route published on this date.

6.2.28 The Government will apply discretion for applications where it is demonstrated that a purchase after this date did not include knowledge of the proposals.

6.2.29 In circumstances when safeguarding extends more than 120m from the centre line, the fixed boundary distances for Homeowner Payment (120-300m) will remain unchanged and hence the set of bands will not span out further in those areas.

6.2.30 Further details of the Homeowner Payment scheme can be found online at the following address:

<https://www.gov.uk/claim-compensation-if-affected-by-hs2/homeowner-payment-scheme>

6.3 Atypical properties and special circumstances

6.3.1 The Government recognises that properties vary widely, as do the circumstances of owner-occupiers. Accordingly, the Government has purposely designed its proposed property compensation and assistance schemes to be broad, inclusive and flexible.

6.3.2 The Government appreciates that there may be cases of atypical properties or special circumstances. 'Atypical properties' are properties to which the strict application of our rules would unfairly disadvantage the owner. Similarly, some individuals may be subject to unusual circumstances which mean that additional assistance or support is needed.

- 6.3.3 HS2 Ltd will work directly with owners of atypical properties or those who are experiencing special circumstances in order to consider how their needs can best be met while protecting the interests of the taxpayer.

6.4 Deep tunnels

- 6.4.1 HS2 Ltd has published an assessment of the United Kingdom's history of building tunnels beneath properties - Impacts of Tunnels in the UK (September 2013)² - which described recent case histories of building rail tunnels. It describes measures that can be taken to avoid perceptible noise and vibration.
- 6.4.2 The use of modern track construction methods and monitoring regimes are able to address the problem of noise and vibration that has arisen from the operation of older tunnels.
- 6.4.3 For Phase One and 2a the Government has concluded that it is not appropriate for those living above or adjacent to deep tunnels to be eligible for the full range of the property compensation and assistance schemes described above. However, the Government has accepted that eligible owner-occupiers of properties above deep tunnels should continue to have the opportunity to make a case under the Need to Sell scheme.
- 6.4.4 Any eligible owner-occupier of a property situated near to a deep tunnel on the Phase 2b route will be able to apply under the Need to Sell scheme in the following circumstances. When considering such an application against the 'location' criterion of the Need to Sell scheme, the independent panel will only consider surface construction and infrastructure. This includes vent shafts and tunnel entrances (or any surface infrastructure).
- 6.4.5 The 'HS2 Property and Compensation for London – West Midlands Decision Document – Properties above Tunnels (November 2013)' detailed the following measures, which the Government also proposes to offer to those people living above deep tunnels on the preferred Phase 2b route. Each is designed to mitigate against the potential impacts of the railway in deep tunnels and remedy adverse effects:
- **'Before' and 'after' surveys** - Though the Government believes that the impacts from HS2 tunnelling and other underground excavations will be minimal, they have nevertheless committed to undertaking (and paying for) surveys of those properties above deep tunnels that are considered to be at the greatest risk of settlement. Such surveys would be carried out before and if necessary after construction.
 - **Settlement deeds** - This will be a formal legal undertaking which, in the very unlikely event of ground settlement resulting from the HS2 project causing material physical damage to property, will require HS2 Ltd to undertake or reimburse owner-occupiers for the reasonable cost they incur in remedying

² <http://assets.hs2.org.uk/sites/default/files/inserts/Impacts%20of%20tunnels%20in%20the%20UK.pdf>

such damage.

- **Purchase of subsoil rights** - Under English law, freehold ownership of land includes the ground below the surface to an unlimited depth. Therefore, in order to build the deep tunnels and other underground structures required for HS2, the Government must acquire the land beneath the surface through which they will pass. The Government will make a nominal payment of £50 to represent the perceived value of the subsoil. An additional £250 will be paid, where applicable, as a contribution towards professional fees associated with the purchase

6.4.6 Further information on the policies and the assessment regime that will deliver these (including a draft of the proposed Phase One deed) is available in the High Speed Two Information Paper C3: Ground Settlement (December 2015)³.

³ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/486366/C3_Ground_Settlement_v1_4.pdf

7 Part B: Need to Sell 'no prior knowledge' criterion

- 7.1.1 The second part of this consultation document considers the current operation of the Need to Sell scheme relating to the 'no prior knowledge' criterion. The Government wants to consider if this rule is still fair (for Phase One, 2a and the preferred Phase 2b schemes), or whether there are circumstances in which the Government should allow people with 'prior knowledge' of HS2 to be able to access the Need to Sell scheme. There is already some flexibility around this rule – for example, in relation to an applicant who committed to a purchase shortly after a route announcement, and is able to show that their searches did not refer to the potential impact of HS2. Under Part B of the present consultation, the Government wishes to receive the public's views on further possible changes to the 'no prior knowledge' criterion.
- 7.1.2 The Government therefore invites comments on the current operation of the 'no prior knowledge' criterion, whether and how it should be changed, and what the benefits would be of changing this. In particular, there are three areas on which the Government is seeking views as part of this consultation:
- How to prevent individuals from buying at a blighted value and selling to the Government at an unblighted value. This is a key consideration because it is important to protect both sellers and the taxpayer. The Government welcomes views on whether those with prior knowledge should now be accepted onto the Government's HS2 property compensation and assistance schemes and, if so, on what terms. Should such persons be paid the full un-blighted value for their property? If an applicant with prior knowledge is accepted onto the scheme, how should their property be valued differently, if it is evident that it was purchased for a blighted value?
 - How to ensure the Government is fair to those who may have purchased with prior knowledge of HS2, but now have a genuine compelling reason to sell and are unable to do so due to HS2. The Government welcomes views on whether an applicant with prior knowledge of HS2 should have an additional requirement to show that their 'compelling reason to sell' was not apparent at the time they purchased their property.
 - How to ensure that the 'no prior knowledge' criterion is not deterring potential buyers from buying in the area. The Government is not aware of this being a significant issue, but would appreciate your views, citing specific examples if possible.

8 Anticipated Phase 2b project timeline

Currently anticipated key Phase 2b delivery dates are listed below:



The above dates may vary depending on consultation outcomes and further route analysis. The overall progress of the HS2 project is subject to receiving Royal Assent to the hybrid Bills.

9 Closing date

- 9.1.1 The consultation closes on [9 March 2017](#). Please ensure that you send your response before that date to ensure that it is included in our analysis and consideration.

10 Who can respond to this consultation?

- 10.1.1 As with all HS2 consultations, this is a national consultation; we welcome comments from all interested individuals or organisations.

- 10.1.2 If you would like further copies of this consultation document, it can be found at www.gov.uk/hs2 or you can contact 0300 123 1102 if you would like alternative formats (Braille, audio CD, etc).

11 How to respond

You can respond to this consultation in the following ways

- Online: you can provide your response online via the HS2 consultation website at <https://property2b.dialoguebydesign.net>
- Response form: copies of the response form are available on the website at www.gov.uk/hs2 or can be requested by contacting 0300 123 1102;
- Email: you can email your completed response form to property2b@dialoguebydesign.co.uk
- Post: you can post your completed response form to the following FREEPOST address:

FREEPOST HS2 PHASE 2B PROPERTY CONSULTATION

- 11.1.1 HS2 Ltd and the Department for Transport cannot accept responsibility for ensuring responses sent to addresses other than those described above are included in the consultation process.

- 11.1.2 All responses must include your name and organisation (if applicable). When responding, please state whether you are responding as an individual or representing the views of an organisation. If responding on behalf of a larger organisation, please make it clear who the organisation represents and, where applicable, how the views of members were assembled.

- 11.1.3 If you have any queries you can contact us by email at: HS2Enquiries@hs2.org.uk or by telephone on 0207 944 4908.

12 Information events

- 12.1.1 As part of this consultation we are running a series of information events between early January and the end of February. These events will provide members of the public and other interested parties with the opportunity to talk in person to members

of HS2 Ltd and Department for Transport project teams. Events will be supported by a specialist team of engineering and environmental professionals, who will help the public understand the proposed route refinements and answer specific queries. Maps showing the proposed route refinements and a series of project summary documents will be made available to the public at these events.

- 12.1.2 Further information is available on the HS2 consultation website at: <https://www.gov.uk/government/collections/hs2-events> or by contacting 0207 944 4908.

13 Confidentiality and data protection

- 13.1.1 If you do not want any of your response to be published, you should clearly mark it a 'Confidential'. However, information provided in response to this consultation, including personal information, may be subject to publication or disclosure in accordance with the access to information regimes. These are, primarily, the Freedom of Information Act 2000 (FOIA), the Data Protection Act 1998 and the Environmental Information Regulations 2004.

14 What happens next?

- 14.1.1 The consultation closes on [9 March 2017](#). We will then review and take into consideration all responses before making a recommendation to the Secretary of State for Transport. It is anticipated that the Secretary of State will make a final decision on the proposed major refinements to the Phase 2b route in 2017.

15 Freedom of Information

- 15.1.1 Information provided in response to this consultation, including personal information, may be subject to publication or disclosure in accordance with the Freedom of Information Act 2000 (FOIA) or the Environmental Information Regulations 2004.
- 15.1.2 If you want information that you provide to be treated as confidential, please be aware that, under the FOIA, there is a statutory Code of Practice which guides public authorities and which deals amongst other things, with obligations of confidence.
- 15.1.3 In view of this it would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information, we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the Government and HS2 Ltd.
- 15.1.4 The Government and HS2 Ltd will process your personal data in accordance with the Data Protection Act (DPA) and in the majority of circumstances this will mean that your personal data will not be disclosed to third parties.

16 Glossary

Blight notice - A legal procedure for qualifying owner-occupiers affected by Statutory Blight to apply for the Government to purchase a property on compulsory purchase terms before it is needed for construction.

Cash offer - A Government proposal for owner-occupiers who qualify for the voluntary purchase scheme but do not choose to sell. Under the proposal, such an owner-occupier could receive a lump-sum payment equal to 10% of the full unblighted market value of their property (subject to a proposed minimum of £30,000 and a maximum of £100,000).

Compensation Code - A collective term for the principles deriving from Acts of Parliament and case law, relating to compensation for compulsory acquisition. The measures available have developed over the years through a mixture of statute, case law and established practice. Where land is compulsorily acquired, compensation is based on the principle of equivalence, meaning that a person should be no worse off, and no better off, in financial terms after the acquisition than they were before.

Deep tunnel - These are constructed using a tunnel boring machine (TBM) or are mined. Modern TBMs typically consist of the rotating cutting wheel, called a cutter head, followed by a main bearing, a thrust system and trailing support mechanisms. TBMs have the advantages of limiting the disturbance to the surrounding ground and producing a smooth tunnel wall. This significantly reduces the cost of lining longer tunnels, and makes them suitable for use in heavily urbanised areas.

Department for Transport (DfT) - DfT works with its agencies and partners to support the transport network that helps the UK's businesses and gets people and goods travelling around the country. The DfT plans and invests in transport infrastructure to keep the UK on the move. DfT is a ministerial department, supported by 19 agencies and public bodies, including High Speed Two Limited.

Phase 2b Exceptional Hardship Scheme - Introduced in 2013 to assist homeowners who have an urgent need to sell but, because of HS2, cannot do so or can do so only at a substantially reduced price.

Express Purchase scheme - An offer under which the Government streamlines some of the rules that normally apply to Statutory Blight claims in the safeguarded area, making it more straightforward for eligible owner-occupiers to sell their property to the Government under a blight notice.

Generalised Blight - Planning proposals, such as HS2, may have an adverse effect on the property market so that an owner-occupier is unable to realise the market value that would have been obtainable had HS2 not been proposed. Generalised blight occurs where, although land and property is not included within the safeguarded area for HS2, nevertheless prospective purchasers either will not proceed with the purchase of that land or property, or will only offer a lower price.

High Speed Two (HS2) Phase Two - The proposed second phase of the high speed railway from the West Midlands to Manchester and to Leeds.

High Speed Two (HS2) Phase 2a - The proposed first part of the Phase Two high speed railway; the line of the route between the West Midlands and Crewe. A separate hybrid Bill is to be introduced into Parliament in 2017 with the aim of obtaining statutory authority through Royal Assent in 2019. This will enable us to open the Phase 2a section in 2027, rather than 2033 as originally planned, bringing benefits to the North sooner.

High Speed Two (HS2) preferred Phase 2b route - The preferred Phase 2b route from Crewe to Manchester in the west and Birmingham to Leeds in the east, with connections onto the existing network. The November 2016 announcement confirms the Phase 2b route, subject to the current public consultation on route refinements. It is anticipated that the remainder of the 2b route will be confirmed, alongside the launch of our package of property compensation and assistance schemes for Phase 2b, in 2017. A hybrid Bill for this section of the route is expected to be presented to Parliament at the end of 2019. The Phase 2b railway is planned to begin operation in 2033.

High Speed Two Limited (HS2 Ltd) - The company responsible for developing and promoting the UK's new high speed rail network. It is funded by grant-in-aid from the Government. HS2 Ltd is an executive non-departmental public body, sponsored by the Department for Transport.

Homeowner Payment Scheme - Available after Royal Assent for a Phase 2b Bill, a Government scheme for a payment for eligible owner-occupiers between 120m and 300m from the railway in rural areas, with the exception of those adjacent to deep tunnel areas. The scheme will pay a lump-sum cash payment of between £7,500 and £22,500, depending on a property's proximity to the route.

Home-loss payment - If an individual is required to vacate their home for the construction of HS2, they may be entitled to receive 'home-loss payment'. If an individual owns their home (either freehold or with a lease with more than three years still to run), they will be entitled to a sum equal to 10 per cent of its value, subject to a current minimum payment of £5,800 and a current maximum of £58,000. This applies to all eligible properties subject to compulsory purchase. If the interest is other than an owner's interest, then the payment is a specified statutory amount (currently £5,800).

Hybrid Bill - Public bills change the law as it applies to the general public and are the most common type of bill introduced in Parliament. Private bills change the law only 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 bill and a private bill is called a hybrid Bill and is generally used for large infrastructure projects.

Need to Sell scheme - A discretionary scheme available to owner-occupiers who can demonstrate they have a compelling reason to sell their property within the next three years, but have been unable to do so – other than at a substantially reduced price – as a direct result of the announcement of the route of HS2. Each application is considered according to five criteria: property type and residency, location, effort to sell and the impact of blight, no prior knowledge; and compelling reason to sell. There will be no outer boundary to this scheme.

Owner-occupier - Anyone who owns a property (either outright or with a mortgage) as a freehold or on a fixed-term lease (with at least three years unexpired) and has it as their principal residence or place of business, subject to certain qualifiers. This definition is stated in section 149 of the Town and Country Planning Act 1990.

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 1973 Land Compensation Act 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. Further information is provided in the DCLG booklet Compulsory Purchase: Compensation to Residential Owners and Occupiers (April 2010)⁴.

The property consultation - The Property Consultation 2016 undertaken by the Government and HS2 Ltd on the Government's property compensation and assistance scheme proposals for the preferred Phase 2b HS2 route (Crewe to Manchester and West Midlands to Leeds).

The property consultation document - A document published by the Government, which seeks the views of the public, in particular those along or near the preferred Phase 2b section of the proposal to implement long-term property compensation and assistance schemes based upon those implemented for Phase One and 2a.

Reluctant landlord - An individual with a qualifying interest (under section 149 of the Town and Country Planning Act 1990) in a residential property who has resorted to renting their property to facilitate an essential relocation (e.g. due to their employment circumstances) or undue financial hardship if they were to have remained in the property. It would be anticipated that 'reluctant landlords' would own only one property - that which they had been forced to rent - and would be expected that such individuals had not become owner-occupiers of a separate property following the letting of the rented property.

Rent back scheme - A scheme for people who sell their homes to the Government under any of the HS2 compensation schemes, and who would find it helpful to remain in residence as tenants subject to a commercial letting suitability assessment. It will give those wishing to remain in their community in the short term the option to do so, and help those seeking to buy a property elsewhere to be well placed to do so quickly.

Safeguarding - A planning tool which aims to ensure that new developments which may conflict with planned infrastructure schemes do not affect the ability to build or operate the scheme or lead to excessive additional costs.

Safeguarded area - An area of land subject to a Safeguarding Direction, meaning that Local Planning Authorities (LPAs) are required to consult with the Government before determining planning applications affecting any land within it, except where that type of application is exempted. This can affect either surface or sub-surface development.

Safeguarding Directions - These are the mechanism by which the Secretary of State for Transport can protect the proposed alignment of a road or railway from conflicting development. The

⁴ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/7719/147648.pdf

Secretary of State issues a safeguarding direction under Articles 18(4), 31(1) and 34(8) of the Town and Country Planning (Development Management Procedure) (England) Order 2015.

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.

Stamp Duty - Stamp Duty Land Tax (SDLT), more commonly known as 'stamp duty', is generally payable on the purchase or transfer of property or land in the UK where the amount paid is above a certain threshold. Broadly speaking, SDLT is charged as a percentage of the amount paid for property or land when it is bought or transferred.

Statutory Blight - A legal term which refers to land in certain specific situations (principally, in the case of HS2, land and property that is included within the area safeguarded under a safeguarding direction), as set out in Schedule 13 of the Town and Country Planning Act 1990. It is to be distinguished from 'generalised blight'.

Unblighted 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).

Voluntary Purchase Scheme - A scheme whereby eligible owner-occupiers of property within the Rural Support Zone (RSZ) will be able to ask the Government to purchase their property at 100 per cent of its unblighted open market value. This discretionary property scheme would allow eligible owner-occupiers of properties within the RSZ to ask the Government to purchase their property. The Government would pay 100 per cent of the unblighted open market value of the property, as assessed by two independent valuers.

Annex A

Compensation Code and statutory compensation

It is not the purpose of this consultation to invite views or comments on the Compensation Code or the Statutory Blight regime. It is the Government's proposal to apply the Compensation Code wherever this is applicable to provide fair compensation to those affected and balances against this the interests of the taxpayer.

The 'Compensation Code' is a collective term for the principles deriving from Acts of Parliament and case law, relating to compensation for compulsory acquisition. The measures available have developed over the years through a mixture of statute, case law and established practice. These measures offer a sound basis for compensation for those individuals affected by infrastructure projects and have been successfully and widely employed for many years. Where land is compulsorily acquired, compensation is based on the principle of equivalence, meaning that a person should be no worse (or better) off in financial terms after the acquisition than they were before.

As previously mentioned, part of the Compensation Code is the Statutory Blight regime. The Secretary of State for Transport has today decided to issue safeguarding directions for the entire preferred Phase 2b route. As well as helping to protect the land needed to construct and operate an infrastructure project such as HS2 from conflicting development, safeguarding directions also trigger Statutory Blight.

The Department for Communities and Local Government (DCLG) provides a summary of key statutory compensation terms in the booklet *Compulsory Purchase: Compensation to Residential Owners and Occupiers* (April 2011)⁵.

Statutory compensation terms

Statutory compensation is available for owner-occupiers of residential properties, small-businesses⁶ and agricultural units. The type of payments available in response to safeguarding are outlined below.

In return for serving a blight notice, an eligible applicant is entitled to:

- the property's independently assessed, unblighted market value (as if unaffected by the HS2 scheme);
- a home-loss payment (10 per cent of the value, up to a current maximum of £58,000);
- reasonable moving costs (such as expenses for removing possessions, surveyors' and legal fees, and stamp duty on a new property).

⁵ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/7719/147648.pdf

⁶ Currently those with an Annual Rateable value not exceeding £34,800.

In the event that only part of your land lies within the safeguarding zone, you will receive the unblighted market value (as if unaffected by the HS2 scheme) for that part, plus any loss in value to the part that you retain. If you lose a significant part of your land (such as part of the garden of a typical residential property), you may ask the Government to buy the whole of the property from you if you wish.

- If you are a tenant and your home needs to be acquired compulsorily to make way for the line, you may be entitled, under certain circumstances, to a £5,800 flat rate home-loss payment as well as reasonable moving costs. Councils also have an obligation to re-house council tenants whose homes are compulsorily purchased.
- Qualifying business tenants and commercial owner-occupiers who occupy their own premises are entitled to an occupier's loss payment and disturbance costs (which can include business losses).

Part 1 compensation

Once the railway has been open to passengers for one year (as it is only at this stage that the actual impact can be assessed), the Compensation Code allows owner-occupiers to claim for loss of value on their property resulting from the noise, vibration or artificial lighting caused by the operation of any new high speed line. This applies even if the property is not required for construction or operation of the line, but the property is physically affected. These are known as 'Part 1 payments' (after Part 1 of the 1973 Land Compensation Act). Further information is provided in the DCLG booklet *Compulsory Purchase: Compensation to Residential Owners and Occupiers* (April 2010)⁷.

⁷ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/7719/147648.pdf

Generalised blight

The construction and operation of major projects, or the planned acquisition of land, can have a negative effect on nearby properties. The negative effect is commonly known as 'blight'. The Government recognises that the proposal to construct and operate HS2 may have an effect on local property markets beyond the areas where statutory compensation is available. This is referred to as generalised blight.

The effect of generalised blight is greatest during the planning, design and construction phases of a project. Once a project has been constructed and is in operation, the local property market tends to return to normal as the actual impacts are less than first feared. It is normal for the perception of blight to contribute to the overall effect of a project on property prices, usually as a result of uncertainty and apprehension. Once that uncertainty has been replaced by certainty, adverse impacts on property tend to dissipate and prices rise again.

Draft Code of Construction Practice

HS2 is being designed, and will continue to be developed, with the objective of reducing the adverse effects of construction and operation of the railway as far as reasonably practicable.

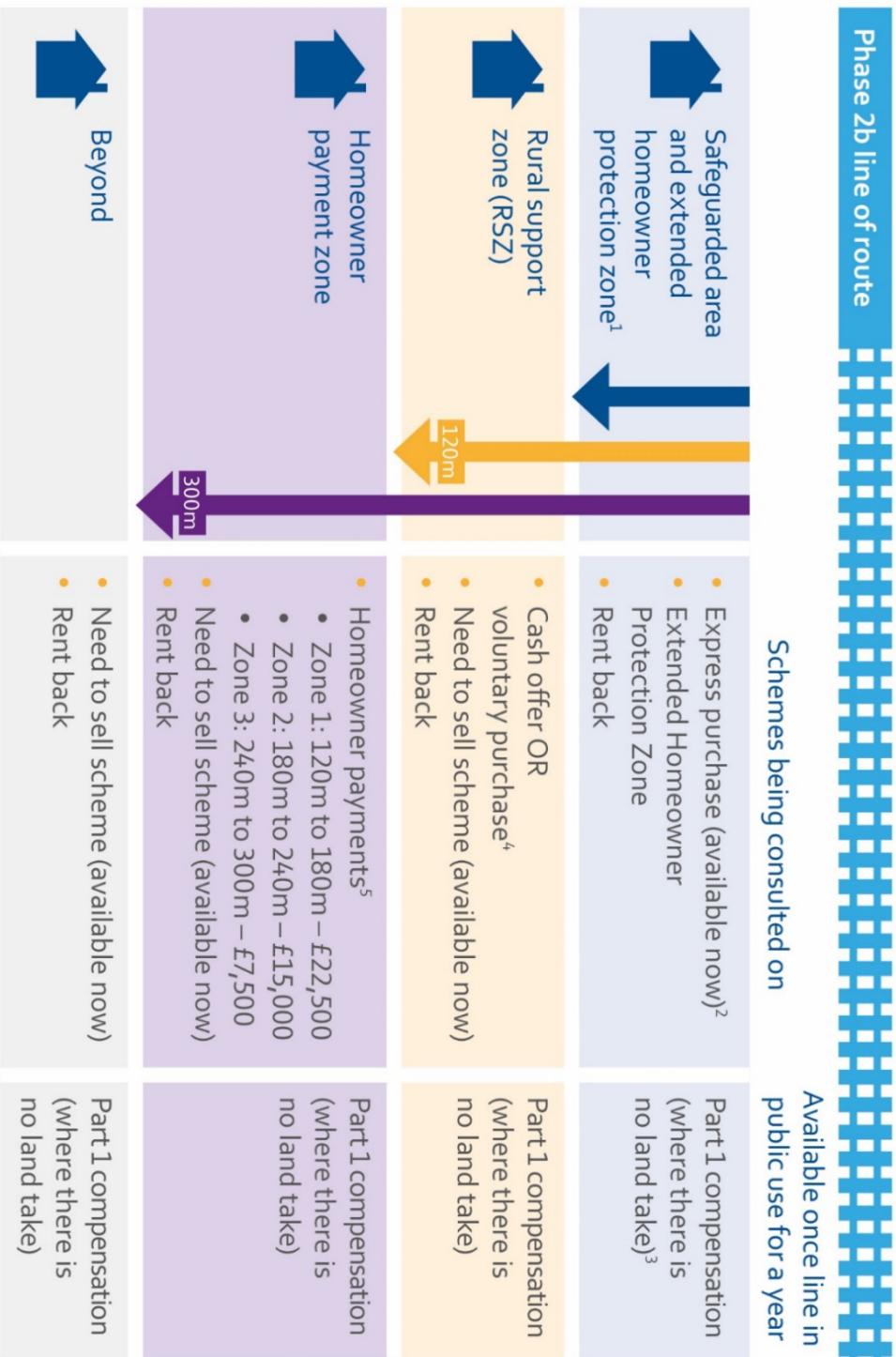
As with Phase One and Phase 2a, HS2 Ltd will introduce a draft Code of Construction Practice (CoCP) for the preferred Phase 2b route as part of the Environmental Statement to be published when the hybrid Bill⁸ is deposited.

The CoCP will include measures and standards designed to help minimise the impact of construction activities on communities and the environment along the route. The CoCP should help to limit general anxiety surrounding the potential effects of construction and so mitigate the effect of generalised blight.

Nevertheless, the Government recognises that generalised blight will remain. Our package of property compensation and assistance measures (see below) is recognition of this fact and our commitment to providing assistance to those directly affected.

⁸ A Bill with characteristics of both a public bill and a private bill is called a hybrid Bill and is generally used for large infrastructure projects. On 25 November 2013, the Government deposited a hybrid Bill with Parliament to secure the powers to construct and maintain Phase One of HS2 between London and the West Midlands. This is available at: <https://www.gov.uk/government/collections/high-speed-rail-london-west-midlands-bill>

Annex B: Proposed Phase 2b property compensation and discretionary assistance schemes



¹ Usually 60m in rural areas. ² Surface safeguarding only. ³ Compensation for any reduction in the value of property as a result of the physical effects of the operation of the railway. ⁴ Applies to rural areas only and does not extend to areas beyond deep tunnels. ⁵ Only available after Royal Assent to the Bill. Applies to rural areas only and does not extend to areas beyond deep tunnels.

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