

**HIGH SPEED TWO PHASE 2B: CREWE TO MANCHESTER; WEST MIDLANDS TO LEEDS**  
**PROPERTY CONSULTATION 2016**

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The following response to the Property Consultation 2016 was unanimously endorsed by Full Council on 2<sup>nd</sup> March 2017.

**Question 1**

The Government believes the proposed schemes outlined in the Property Consultation document provide a comprehensive package of assistance and compensation to communities along or near to 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?

***REBALANCING BRITAIN?***

In general terms the property compensation scheme on offer is noted as being more generous and flexible than the statutory compensation scheme. However, the Council believes that the application of a percentage enhancement above Open Market Value pre-HS2 Announcement (ie 10%) unfairly favours those with bigger houses and those who own properties in areas of higher property value.

For example, someone owning a £300,000 three bedroomed house in the Chilterns<sup>i</sup> (see Figure 1 below) receives a £30,000 enhancement under the proposed scheme. And yet someone owning a similar equivalent house valued at £130,000 in Mexborough<sup>ii</sup> (see Figure 2 below) receives an enhancement of just £13,000.

There is absolutely no logic to someone who happens to live in the Chilterns receiving an enhancement payment 2½ times the size of a payment to someone who owns a similar property in Mexborough.



**FIGURE 1: 3 BEDROOMED TOWN HOUSE - AYLESBURY**



**FIGURE 2: 3 BEDROOMED TOWN HOUSE - MEXBOROUGH**

Furthermore, it is not logical that someone with a higher valued house should receive a larger enhancement than someone living in a house with a lower value. The disruption of someone losing their home because of the Government’s high speed rail proposals is no more or less painful, and no more or less deserving of a similar level of compensation enhancement than another, wherever their property is located, and whatever the size of the property.

**The Government’s approach to compensation as set out in the HS2 Compensation package, rather than rebalancing Britain as HS2 aspires to do, reinforces the north – south divide, giving more to those that live in the more affluent south of England, and for no good or logical reason.**

***A MORE EQUITABLE SCHEME***

The Council believes that a more equitable compensation scheme would be to apply a flat-rate enhancement to the Open Market Value pre-HS2 Announcement and not a percentage.

We note the Government’s desire not to put people at an unfair disadvantage as a result of the HS2 Phase 2b announcement, whilst also protecting the interests of the taxpayer. In these circumstances, the compensation package puts homeowners in the north at an unfair disadvantage over homeowners in the south. The Government’s adoption of the 5 criteria – fairness; value for money; community cohesion; clarity of rules and efficient administration; and functioning of housing market, are considered to be a sound basis for the development of its compensation and assistance schemes. The compensation package needs to reflect these aims in the way suggested.

***SPECIAL CIRCUMSTANCES***

The Council is aware of a need for special consideration to be given to property owners on the Shimmer Estate in Mexborough. The Council has commissioned its own study into property values on the Shimmer Estate from Barnsdales Valuations Limited, a copy of which is sent as a separate attachment the consultation response e-mail.

The findings of the report are that the HS2 Phase 2b Property Compensation Scheme on

offer is not adequate to enable eligible residents to purchase an equivalent property in the locality. Barnsdales find that in general terms pre-HS2 Open Market Valuation plus a minimum of 15% plus transactional costs would be required, although this may vary from individual to individual, depending upon property type.

The special circumstances of commercial and agricultural property owners affected by the high speed rail proposals also need to be taken into account, notably in the Mexborough area. As “atypical” properties, urgent and sympathetic dialogue and engagement with the affected people needs to take place to ensure those people, likewise, are not unfairly disadvantaged by the high speed rail proposals.

#### ***APPLICABILITY OF SCHEME***

Such special circumstances need to be applied to all eligible owners from 7<sup>th</sup> July 2016 in order to ensure that they are not unfairly disadvantaged, and any resulting enhancement to the consultation scheme applied to all property owners, irrespective of when the Blight Notice was issued.

The Council notes Sir David Higgins’ commitment to and the commissioning of a study to examine the matter of equivalent homes for Shimmer Estate residents. The Council welcomes this and looks forward to an outcome which will ensure that no resident is put at a disadvantage in the application of the compensation and assistance scheme.

#### ***AN EARLY DECISION IS ESSENTIAL TO REMOVE UNCERTAINTY***

Given the uncertainty for residents and businesses created by the announcement of the Government’s Preferred Route for Phase 2b, the Council would urge the Government to end the uncertainty as soon as is practicably possible, preferably before the summer 2017 parliamentary recess.

## **Question 2**

What are your views on the proposed boundary of the Rural Support Zone (RSJ) at the five locations included in the consultation?

None the five locations fall within the Borough. The Council, therefore, offers no comments.

### 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?

The Council believes that the 'no prior knowledge' criterion is essential to protect the interests of tax payers, and notes that the Government already applies discretion for applications where it is demonstrated that a purchase after 7<sup>th</sup> July 2016 did not include knowledge of the proposals. The Council does not therefore believe that any changes to this part of the scheme need to be made.

### Attachments

Barnsdales Valuations Limited study on property values on the Shimmer Estate

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<sup>i</sup> Research on Rightmove Website 3<sup>rd</sup> March 2017

<sup>ii</sup> Research on Rightmove Website 3<sup>rd</sup> March 2017