

ANDREA LEADSOM MP



HOUSE OF COMMONS

LONDON SW1A 0AA

Mr Robert Syms MP
Chairman
HS2 Select Committee
House of Commons
London
SW1A 0AA

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HIGH SPEED RAIL (LONDON – WEST MIDLANDS) BILL HS2 Phase One ‘Need To Sell’ Scheme

Scheme Response – Andrea Leadsom MP


Dear Chairman,

Thank you for your letter dated 27th October 2015 regarding the HS2 Phase One ‘Need to Sell’ scheme – herein referred to as NTS. I am grateful for the further opportunity to make representations to the Select Committee on behalf of my constituents in South Northamptonshire, a number of whom have been in touch with me directly to share their experiences of both the Exceptional Hardship Scheme (EHS) and NTS.

In your letter, you ask for views on *whether the NTS scheme has been operating more effectively*, and that this will form the basis for further evidence sessions in reaching final conclusions on the overall scheme, in particular whether more progress is needed.

In short I think most would agree that the NTS scheme is more effective than the previous compensation schemes. However this comes with a number of substantial provisos, not least that the former schemes were deemed by my constituents to be not fit for purpose. There remain a number of issues of significant concern for my constituents which I will outline in this letter, with reference to general principles and specific examples. As I intend to publicise this letter for the benefit of all of my constituents, I am sure that the Select Committee will appreciate that I have anonymised certain details that may identify specific individuals or locations.

Member of Parliament for South Northamptonshire




Considering the statistics on applications received for the HS2 Phase One EHS and the HS2 Phase One NTS scheme [www.gov.uk/government/publications/hs2-phase-one-exceptional-hardship-scheme-applications-statistics], as of 31st October 2015, there have been 152 applications accepted out of 574 applications received under EHS (26.5 per cent) compared to 45 applications accepted out of 116 applications received under NTS (38.8 per cent). On the surface, this would seem to be a step in the right direction and an improvement in the numbers of applications being accepted under the new revised scheme. However if we consider only the number of formal offers accepted by applicants, this changes to 26.0 per cent for EHS (149 offers accepted) and 23.3 per cent for NTS (27 offers accepted). Clearly this demonstrates that revised scheme is **not** more effective, as the valuations being offered under NTS are not acceptable to the vendors up and down the line of route, including to some of my constituents who are desperate to sell and get away from HS2 completely.

Taking together the total number of applications under either scheme, there have been 690 applications received by HS2 Ltd. Given the length of the line of route and the sheer number of homes that lie within 1km of this, it is somewhat concerning that such a small number of applications have been put forward. I believe that there are two reasons for this: first, many homeowners are simply not aware of the compensation available to them under schemes in various guises and, secondly, many people have been discouraged from applying given the experience of other previously unsuccessful applicants.

A number of my constituents have pointed out to me, in relation to the question of the effectiveness and efficiency of the NTS scheme, the average time in weeks for a decision under the final NTS Panel has actually increased from EHS. Previously, under the old scheme, the average waiting time was 6.9 weeks; under NTS this has extended to an average of 8.35 weeks.

Constituents have also expressed grave concerns over the unacceptable intrusion into financial affairs necessitated by the levels of financial scrutiny required. Anecdotally, I have been told that some people have been required to turn over hundreds of pages of evidence, including sales receipts for medication, pet store receipts, and other such expenditure. Where constituents are not claiming financial hardship, it seems inappropriate for HS2 Ltd to require salaries, bank statements, savings values, tax assessments, and so on simply to determine whether they qualify for the NTS scheme. Indeed the NTS Panel has made a number of suggestions to my constituents that are inappropriate, including using existing incomes to provide home-help for retired homeowners, or simply to move into downstairs accommodation if the property is becoming an *unreasonable burden*.

A significant concern for those wishing to sell their property is the use by HS2 Ltd of estate agencies and valuers from outside of the local area. A number of estate agents, in particular in Banbury in South Northamptonshire, have previously refused to list properties on their books at pre-HS2 (unblighted) values; this had the consequence that many constituents in the area were totally unable to market their homes and therefore unable to satisfy the criteria of the



compensation schemes. Whilst the approach by estate agents has now changed, this has been to the detriment of vendors by charging a fee of some £1,000-£2,000 if the house doesn't sell, as priced at its unblighted value, within a certain period of time. Some of my constituents have been marketing their homes for some years now and, despite the houses having been for sale for a considerable period of time with small numbers of viewings, there have been no offers. The estate agents have made it very clear that the reason, as given by the prospective buyers, for people not viewing the properties despite having seen the brochures is HS2: indeed, where buyers have previously been very keen they have withdrawn because of their concerns over HS2. These properties are in quiet, rural locations, on the edges of villages surrounded by outstanding views of open countryside, and it is quite clear to any reasonable person that the blight caused by HS2 is the primary reason why buyers are not jumping over themselves to purchase the houses. Visual blight is a major factor for some of my constituents in their wish to sell their houses, and HS2 Ltd – through the NTS Panel – have seemed less than sympathetic. In the words of one constituent, there has been a *callous disregard* for their situation. They go further, and call the scheme *a travesty and not fit for purpose*. If I may quote the constituent in full: “*It [NTS] goes no further than the EHS scheme which was a disaster and in no way compensates people who will suffer a real loss. The comments from the Panel are insulting and seem to be looking for any small point to enable them to turn down the application*”. HS2 Ltd have attempted to construe that, despite estate agents marketing properties repeatedly and advertising in local press and online, my constituents have not made reasonable efforts to sell their properties even with heavily discounted sale prices nor has there been evidence of recent marketing.

Other constituents have raised with me their concerns over the communication and engagement from HS2 Ltd and the NTS Panel; specifically a lack of empathy for their individual circumstances. One couple, whom the Select Committee will be familiar with, have been told by the Panel that living through years of heavy and noisy construction in the field directly in front of their house – some 150 metres from the property – did not constitute a *compelling reason to sell* nor that they would be placed under an *unreasonable burden* if they could not sell at an unblighted price. This is despite HS2 Ltd having accepted that historic buildings next-door would be particularly affected by the construction and operation of the new railway, and that there would be significant vehicle movements and noise effects associated with construction activities. The Panel concluded that whilst the couple would not be able to sell their house at an unblighted value, they would simply have to suffer a financial loss if they wished to move which would be patently unfair. As my constituents have pointed out to me, the key issue is the principle of whether properties directly affected by construction noise and disruption should qualify for the NTS scheme. My constituents believe that it should. Whilst it is reasonable to expect homeowners affected by HS2 to have poured over noise impact thresholds, SOAELs, LOAELs, etc., many constituents who are wishing to sell find it doubtful that prospective purchasers have taken the time to research the noise data when reaching a decision whether to buy or not to buy, if they've even taken into consideration the environmental mitigation in the first place. As a constituent made clear to me, the details of

mitigation are currently too far in the future to be certain of any shielding impact from hedgerows, trees or fences – particularly in the minds of prospective purchasers.

One of the fundamental problems with the NTS scheme is the lack of awareness of the criteria for acceptability. Constituents have told me of their confusion that has arisen since NTS came into existence, primarily that the basis for compensation was touted as shifting from the difficulty in selling a property to proving that there was a need to move. Constituents were not aware that financial circumstances needed to be evidenced, nor were they aware that compensation was means tested. Many constituents over the years have raised with me the stress and anxiety they are experiencing that is caused by the impending thought of construction, let alone of having a fully-operational high speed train line passing a few hundred metres away from their homes. Where this has been raised with HS2 Ltd, the NTS Panel has advised that medical evidence must be submitted to substantiate these concerns. This is difficult to provide when constituents' concerns are essentially those of a non-physical state of mind that cannot be quantified. The Panel obviously has some measure for which they determine which persons are ill or infirm enough to move or not move, and constituents have expressed to me their perception that HS2 Ltd would simply have them apply year-in year-out until they are infirm enough to need to move on, despite all of the continued anguish this would cause in the interim. It has been put to me that it would be useful to have from the Panel an indication of exactly what physical and mental health and well-being criteria homeowners wishing to sell would need to demonstrate. It has also been put to me that it would be useful to have included on the Panel as a matter of routine a doctor or other medically-qualified professional, as there is no suitable specialist medical knowledge within NTS to make these determinations.

I am sure that you will be receiving representations from Colleagues up and down the line of route, and I am confident that the Select Committee will be taking all of these points on board with the aim to refine and improve the overall compensation available to my constituents.

A few final thoughts. My constituents have expressed their dissatisfaction with the lack of feedback from the Panel when being rejected from the NTS scheme – they are merely told that they did not provide a *compelling reason* or demonstrate how they would be placed under an *unreasonable burden*. Whilst appreciative of the time constraints of the Panel, it would be useful if full and frank feedback could be provided so as to improve further applications my constituents may make under the compensation arrangements. On that point, in the words of a constituent, it is *bad form* that there is no right of appeal and no avenue to dispute the findings of the Panel. Whilst I note that there is a Residents' Commissioner, that person's remit does not extend to dealing with individual cases nor is there anyone placed to manage and guide particularly difficult applications. Whilst my staff work tirelessly to help where they can, they are not experts in the process and no Member of Parliament has the capacity for a full-time equivalent specialist to focus solely on HS2.

My constituents, particularly my more vulnerable and elderly constituents who are affected by HS2, have expressed a feeling of being trapped by the situation they have found themselves in through no fault of their own. The stress, worry, financial loss, and time spent focusing on this one issue are all factors that are impacting negatively on their ability to lead a normal life. The scheme needs to move towards a **Want To Sell**, rather than requiring people to have to demonstrate and justify a necessity to move. Given that the blight on house prices has been accepted by HS2 Ltd, a number of my constituents have made the point to me that their rights are being abridged by their inability to sell their house: specifically, the principle of the freedom of movement. If a property is blighted by HS2, then it is incumbent upon the Promoter to purchase that property at the unblighted price. My constituents should be able to sell up and move on from HS2 without having to justify their livelihoods to the NTS Panel. However, I am sure that the Select Committee is aware of the recent article in the Daily Mail [www.dailymail.co.uk/news/article-3298539/HS2-ghost-homes-paid-Rail-firm-blows-225m-taxpayers-money-buy-300-houses-new-line-leaves-empty.html] that was published on the 31st October regarding the amount of money spent by HS2 Ltd on purchasing properties and then these properties standing empty, often it proving that the residents did not need to sell at all as further mitigation schemes such as tunnelling have removed the need to sell in the first place. A number of my constituents seek assurances that all due care is being taken in this regard.

It would be extremely useful if HS2 Ltd could undertake to readvertise the compensation schemes, if and when adjusted by the Select Committee, to take into consideration this round of feedback. The fundamental underpinning is that HS2 Ltd should be buying more houses, and not leaving residents to languish in years of misery through construction if they wish to leave. My constituents do not believe that there has been sufficient communication with all homeowners within a reasonable distance from the line, and this is evidenced by the low number of applications under either EHS or NTS. Additionally, I should be grateful if the Select Committee could consider the issue of compensation for those who have already had to sell for whatever reason and now wish to make a retrospective claim for loss in value due to HS2 as a result of forced sales.

As in my last letter to you of the 22nd October, I should like to conclude by thanking yourself and the Select Committee for the continued hard work that you do for my constituents in trying to make the compensation schemes as good as they can be. I am extremely grateful for the Select Committee providing me with the opportunity to add to this most crucial of issues.

With best wishes,

Andrea Leadsom

Andrea Leadsom MP
Member of Parliament for South Northamptonshire