



Department
for Transport

High Speed 2 (HS2) Property Price Support Scheme

Technical Consultation Response

Moving Britain Ahead

November 2018



High Speed 2 (HS2) Property Price Support Scheme Technical Consultation Response

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

November 2018



© Crown copyright 2018

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

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

ISBN 978-1-5286-0850-3

CCS1018858068 11/18

Printed on paper containing 75% recycled fibre content minimum

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

Contents

Foreword - Parliamentary Under Secretary of State Nusrat Ghani MP	4
1. Government decision	6
The consultation response and next steps	6
2. The property bond concept and HS2	8
The property bond concept and the property price support scheme	8
Previous consideration of the property bond concept	9
3. What did we consult on?	12
<i>The purpose of the consultation</i>	12
4. Response analysis	13
Annex A: Glossary	17

Foreword - Parliamentary Under Secretary of State Nusrat Ghani MP



HS2 is an exceptional project and it is only right that it should come with an exceptional package of support for the communities and businesses that it will affect. Starting back in 2010, the Government has introduced a variety of compensation schemes that are both generous and comprehensive. They reflect the complex and diverse circumstances affecting property owners. 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.

The scale of HS2 means that construction will inevitably span a number of years. So it is right that we should keep the schemes under review over the lifetime of the project. We are publishing alongside this Command Paper the results of the latest Government-led review of its package of HS2 non-statutory property schemes.

The review concludes that the policy and scope of existing HS2 property schemes as they have been designed and implemented continue broadly to meet their objectives. No compelling evidence has been put forward to the Government at this time that there is a case to make significant changes to HS2 property schemes, or that the package of schemes should be replaced with an alternative model of support.

The review does however confirm a number of changes to schemes which the Government intends to take forward in order to improve the support offered to property owners and small businesses located near the HS2 route. Notwithstanding changes to schemes and guidance which the Government intends to take forward as a result of its review, the Government remains satisfied that the existing schemes continue to provide reasonable and appropriate support to individuals and small businesses who are most directly affected by HS2.

As evidenced by the non-statutory schemes, the Government has largely chosen to compensate people for hardship experienced as a consequence of HS2. But other models have been considered, including the property bond concept. The core premise is that eligible property owners would be given a specific, binding promise of an individual settlement, which they would be entitled to redeem in specified circumstances.

The merits of a property bond for HS2 have been debated on a number of occasions. It is fair to say that the Government has never been persuaded by the case for a property bond, but neither has it ever dismissed the concept absolutely. Hence the latest technical consultation to which this document responds.

The Government thought it right to revisit the property bond concept, this time with a view to seeking evidence from those in the property industry and others with particular and specialist knowledge. We described the consultation to which this

Command Paper responds as a technical one, and by that we hoped to signal to the industry that this was their opportunity to share their knowledge and understanding of what effects a property bond might have and what the cost implications could be in introducing one for HS2.

I am grateful to all who responded, including those individuals who used the consultation to share their personal insights into HS2 property compensation. We have considered the feedback carefully in defining our next steps, which are set out in this Command Paper.

A handwritten signature in black ink, appearing to read 'N Ghani', with a large loop under the 'G'.

Nusrat Ghani MP

Parliamentary Under Secretary of State for Transport

1. Government decision

The consultation response and next steps

- 1.1 The Government committed to consulting on the concept of a property bond for HS2 in its July 2017 response to the HS2 Phase 2b property compensation consultation¹. An eight week technical consultation took place in May-July 2018. Its focus was not on the form that a particular scheme might take, but on the likely effects it may have on the housing market and the potential cost of introducing a property bond for HS2. This was not the first consultation to look at the property bond for the HS2 project and a summary of past consideration can be found in Chapter 2.
- 1.2 The Government was clear that in conducting a technical consultation on a Property Price Support Scheme for HS2, or PPSS - another term for a property bond - it was signalling neither support nor opposition to the introduction of such a scheme for properties affected by HS2.
- 1.3 The technical consultation produced 14 responses: three of these were identified as originating from organisations and the remainder from individuals. This is a lower response rate than the Government had anticipated. The expectation when devising the consultation was that - although responses were welcome from all - it would be of particular relevance and interest to those with specialist knowledge of the operation of the property market. It was hoped that such stakeholders would therefore be able to offer informed, evidence-based replies to the consultation questions. The Government drew the consultation to the attention of stakeholders from whom we were interested in hearing, in line with the Consultation Principles 2018² which invite those consulting on behalf of Government to, 'Consider targeting specific groups if appropriate'. However, despite some initial positive indications, most of those contacted did not submit a response.
- 1.4 Independent analysis of the responses which we are publishing alongside this document found that respondees were undoubtedly in favour of a PPSS, and the majority favoured a value based approach. The analysis concluded that there is insufficient data quantum from which to draw an estimate of the cost of a PPSS to the government, but that there might be opportunities for seeking further evidence on the structure of a PPSS and hence cost.
- 1.5 The consultation responses therefore do not point to a clear direction on taking forward the concept of a PPSS for HS2. It is true that most responses were in favour of the concept; that is largely consistent with the results of relevant previous consultations.

¹ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/629394/high-speed-two-phase-2b-crewe-to-manchester-west-midlands-to-leeds-and-beyond-property-consultation-response-web-version.pdf

² https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/691383/Consultation_Principles_1_.pdf

- 1.6 However, the relatively small number of responses and the lack of a data quantum from which to draw an estimate of the cost of a PPSS leaves an insufficient basis for policy making. Nor, when set alongside previous consideration of the property bond concept, is there a basis for a change of policy. The Government has consistently said that the case for introducing a property bond has not been made and has cited the support of the House of Commons Select Committee on the High Speed Rail (London - West Midlands) Bill³ who shared this view. The responses to the technical consultation cannot of themselves alter that position.
- 1.7 The conclusion of this consultation is therefore that more evidence is needed before the concept of a PPSS for HS2 can either be dismissed or taken forward. For those in favour of the PPSS concept, we hope that this makes clear the Government's intention to continue to explore the PPSS option thoroughly and objectively.
- 1.8 The Government therefore proposes further work to gather more evidence. We wish to assemble a panel of industry specialists and others with knowledge and experience of the PPSS concept and variations on it. We will work through that panel to develop a comprehensive evidence base and we will consider with them variations on the PPSS model with a view to determining which might be most suitable for HS2. We will take a decision once this work is complete on any next steps. We of course remain committed to the existing suite of compensation schemes, which we will continue to review and update over the life of the project. The results of the latest such review are being published alongside this Command Paper.

³ Para 290 of Second Special Report of Session 2015-16: <https://publications.parliament.uk/pa/cmhs2/129/129.pdf>

2. The property bond concept and HS2

The property bond concept and the property price support scheme

- 2.1 The term 'property bond' has been used to describe a range of proposals to support property owners affected by major long-term developments. The defining characteristic of a property bond scheme is the idea that eligible property owners, typically at an early stage of a project's development, would be given a specific and binding promise of a well-defined, individual settlement, which the property owner would be entitled to redeem in specified circumstances. If the bond recipient transfers the property to a third party, the bond would also be transferred to the same third party. Settlements would be defined with reference to independent professional property valuations.
- 2.2 Property bond proposals are generally held to be of two broad types. A 'time-based' property bond scheme would involve a specific promise to purchase an individual property at a defined time – for example, following a specific event or a specific marketing period. In contrast, a 'value-based' property bond scheme would involve a specific promise to compensate for any difference between the price an individual property achieves in the open market, and a specified price which that property would be likely to achieve in the absence of the relevant major development. Value-based property bond schemes have sometimes been described and defined as 'compensation bond' schemes, as distinct from other 'property bond' schemes, but all such schemes have much in common.
- 2.3 The aim of property bond schemes is to ensure that eligible property owners do not suffer unreasonable losses because of any reductions in the market value of their properties, caused either by the direct impact of the proposed development, or 'blighting' effects of the proposed development on local property markets. Some proponents of property bond schemes also claim that bond schemes, by building confidence in property values and helping to maintain normal property market activity, can also help to prevent or reduce property blight.
- 2.4 The 2018 'High Speed Two (HS2) Property Price Support Scheme Technical Consultation'⁴ used the term 'property price support scheme' in preference to 'property bond'. As the consultation document explained, however, "the two terms effectively describe the same tool, but PPSS is a term more widely used in relation to infrastructure projects" (para 2.4).

⁴ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/706725/hs2-property-price-support-scheme-consultation-web.pdf

Previous consideration of the property bond concept

- 2.5 The idea that a property bond could be introduced along the HS2 route both to support the operation of the housing market and as a means of compensating homeowners is not new. It was among one of a number of non-statutory compensation schemes consulted on by the then Government in February 2011, as part of a wider public consultation on HS2⁵. The options for possible non-statutory schemes included a hardship-based scheme, a property bond and a compensation bond.
- 2.6 In January 2012, the then Government published its conclusions on HS2, and also published a document called the 'Review of Property Issues'⁶, which explained that the choice had been made to offer schemes based on hardship rather than on a property or compensation bond basis.
- 2.7 That decision on preferred non-statutory compensation schemes (in particular, the decision to proceed with consultation on a hardship scheme rather than a property bond) was subject to legal challenge. On 15 March 2013 the High Court quashed (in essence, declared void) the Review of Property Issues document, and with it the decision on the package of discretionary compensation arrangements.
- 2.8 Prior to the Court's decision, the then Government had launched a public consultation on further, long-term, discretionary compensation measures, published in October 2012⁷. That consultation was based upon the decisions outlined in the Review of Property Issues document. The High Court judgment did not criticise it or the schemes that the then Government had proposed, but it considered that the basis of the consultation was compromised by the preceding decision-making process.
- 2.9 The then Government gave an undertaking to the Court in March 2013 to launch a fresh consultation on property matters for HS2, including a property bond. That consultation took the form of the 'Property Compensation Consultation 2013 for the London - West Midlands HS2 route'⁸, which ran from 12 September to 4 December 2013.
- 2.10 The property bond content of the 2013 consultation drew upon a review and assessment of property bond schemes and proposals commissioned by the then Government from property advisers at Deloitte LLP⁹. Deloitte were asked to propose the design of an 'optimal' bond scheme that would be most likely to achieve the best balance between the policy objectives for discretionary HS2 property schemes. The aim was to ensure that the potential costs, benefits and risks of this optimal property bond option could be fairly considered by the then Government, and by respondents to the 2013 consultation, alongside other proposals.
- 2.11 In December 2013, DfT and High Speed Two Limited (HS2 Ltd) commissioned PricewaterhouseCoopers LLP to provide analysis and advisory work on a potential property bond scheme for Phase One of HS2. This analysis was based on the

⁵ <http://webarchive.nationalarchives.gov.uk/20110405154200/http://highspeedrail.dft.gov.uk/sites/highspeedrail.dft.gov.uk/files/hsr-consultation.pdf>

⁶ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/11474/hs2-review-of-property-issues.pdf

⁷ <https://www.gov.uk/government/consultations/hs2-phase-one-property-compensation-2012>

⁸ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/238891/PR01_Consultation_document.pdf

⁹ http://assets.hs2.org.uk/sites/default/files/inserts/Deloitte%20report_HS2%20property%20bond%20option.pdf

preliminary work undertaken by Deloitte and helped inform the then Government's decision making in light of the consultation responses.

- 2.12 Following analysis of the results of the 2013 consultation¹⁰, the then Government concluded in its formal response¹¹ that the property bond concept "has merit" (para 8.1.10) but that the concept remained largely "untested and unproven in practice" (para 8.1.11). Such uncertainty left the then Government unwilling to accept the risks which it considered would attend the introduction of a property bond. The predicted lengthy timescale for introduction of a bond scheme was also cited as a factor in preferring what became the voluntary purchase scheme.
- 2.13 Nevertheless, the property bond concept continued to find support. When, in 2015, the then Government consulted on property compensation schemes for the HS2 Phase 2a route (West Midlands to Crewe), respondents returned to the theme. In its analysis of consultation responses¹², Dialogue by Design noted that some respondents felt the property bond concept had not been given proper consideration and quoted from the consultation response received from HS2 Action Alliance, which challenged the then Government to address the 'untested' nature of the property bond concept by running a pilot scheme. However, the Government response to the Phase 2a property compensation consultation¹³ maintained the previous position in relation to the property bond concept.
- 2.14 When, in November 2016, the consultation on property schemes for Phase 2b of HS2¹⁴ (Crewe to Manchester and West Midlands to Leeds) was published, it did not specifically seek views on a property bond. Some respondents to that consultation again raised the property bond concept as a preferred solution, however. Dialogue by Design's analysis of responses¹⁵ found the words 'property bond' mentioned 40 times across 1,806 responses.
- 2.15 In the response to the Phase 2b property compensation consultation, the Government maintained its opposition to the introduction of a property bond, while acknowledging that it had again been proposed by respondees. The Government response cited the House of Commons Select Committee on the High Speed Rail (London - West Midlands) Bill Second Special Report of the 2015-16 Session¹⁶, which considered that the case for a property bond had not been made over other options.
- 2.16 Nevertheless, the Government's response to the consultation committed to re-examining the case for a property bond. The commitment was to consider the different types of property bond that could be introduced, and if a property bond should only operate in certain designated areas, or at certain times in the timeline of a route's development and construction as well as other issues. This, the response made clear, was not a statement of Government support for a property bond, but a commitment to keep under review the benefits and risks of a property bond scheme

¹⁰ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/301487/hs2-property-consultation-summary.pdf

¹¹ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/301522/cm_8833.pdf

¹² https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/526063/HS2_Phase_2a_Property_Consultation_2015_Response_Summary_Report.pdf

¹³ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/525850/west-midlands-crewe-property-consultation-2015-web-version.pdf

¹⁴ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/571255/D2_Property_consultation_document_FINAL.pdf

¹⁵ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/629021/HST10_Prop2016_Summary_Report_140717.pdf

¹⁶ <https://publications.parliament.uk/pa/cmhs2/129/129.pdf>

for the HS2 project (para 4.117). The 2018 technical consultation on the Property Price Support Scheme concept - to which this document is the response - was the means by which the Government gave effect to that commitment.

3. What did we consult on?

The purpose of the consultation

- 3.1 The consultation ran from 15 May to 9 July 2018. It was intended to gather up-to-date evidence on the suitability, benefits and risks of introducing a Property Price Support Scheme (PPSS) for HS2. The consultation was not focussed on exactly what form such a scheme might take, but it sought evidence on the following:
- The effect of a scheme on housing markets close to HS2.
 - Any scheme of this type would be a major intervention in the private property market and so the Government needs to understand the broad effects such a scheme would have on local housing markets.
 - The effect of a scheme on cohesion in communities affected by HS2.
 - One of the objectives of the non-statutory schemes introduced for HS2 is to maintain community cohesion in areas affected by plans for the railway. The Government must consider how a scheme would affect local communities.
 - The financial risk to the Government in introducing a scheme.
 - A key part of any assessment will be whether a scheme can provide value for money to the tax payer. It will be important to understand the potential cost exposure of a scheme and how we can reliably forecast this cost.
 - The operation of a scheme.
 - The impact of a scheme on the property market and communities along the route could vary according to the way the scheme operates. The Government will therefore need to understand the variable effects of different operational models in order to identify an optimal model.
 - The eligibility requirements of a scheme.
 - As well as having a bearing on the effect of a scheme, the Government would need to ensure that any eligibility requirements developed are fair, in line with the Government's objectives for non-statutory schemes, which centre on fairness; value for money; support for community cohesion; feasibility, efficiency and comprehensibility; and support for the functioning of the housing market.

4. Response analysis

- 4.1 The consultation ran from 15 May to 9 July 2018. Characterised as a 'technical' consultation, the expectation was that organisations and individuals with professional knowledge and experience of the housing market would be significantly represented amongst those who responded. The consultation was therefore actively promoted to such stakeholders. However, the actual number of responses was relatively low - 14 in total: three from organisations and the remainder from individuals. Of the individual responses, insofar as it was possible to draw conclusions about respondents' understanding of the operation of the property market, two clearly came from people with considerable depth of relevant knowledge. Some other individual responses used the opportunity afforded by the consultation to make some more general points about HS2, which seem in some cases to derive from their personal experiences as residents along the HS2 route.
- 4.2 The first substantive¹⁷ consultation question asked 'How could a property price support scheme (PPSS) support the functioning of the housing market in areas affected by HS2?' As with the majority of questions, respondents were invited to support their response with evidence. Most of the responses were in favour of a PPSS, believing it would enable the housing market to function and allow owners to remain in their properties until effects are more certain. One consultee pointed out that a PPSS had the potential both to support property prices and maintain sales volumes.
- 4.3 The second question asked 'How could a PPSS lead to a reduction or eradication of generalised blight in an area'. Responses to this question were again supportive of the PPSS concept. Whilst not removing blight, the view was it would improve the ability of the housing market to function by bringing confidence to property owners. Views included that levels of support should increase substantially, and that a PPSS should be transferable between the owners of a property.
- 4.4 Question three was in two parts. It asked, 'Would a PPSS influence owner-occupiers' willingness to remain in their properties in areas where HS2 may have an impact? And if so how?' The majority of those who answered felt that a PPSS would encourage those to stay in their homes until the end of the HS2 development, as they would have confidence that their property value would remain intact and that they would be compensated for any blight. But the view was also expressed that some property owners would want to move irrespective of the presence of a PPSS, and the issue of anxiety and stress was also raised.
- 4.5 The fourth question was also in two parts and asked for supporting evidence, 'How can demand for a PPSS and the potential cost to the government be accurately forecast? How can we have confidence in this forecast?' In response, there was a general assumption that an independent expert could forecast the predicted cost.

¹⁷ Questions one to five of the consultation asked for information about the respondent, so the first question that sought a response to the substantive issues was number six. In this document, we assume that the first consultation question was that numbered six in the consultation, and so on.

One suggestion was to get around the problem by having an insurance product to protect the Government from the risk of significant expenditure. Another approach was to analyse the composition of households and their attitudes by way of surveying all properties affected. The 2013 cost modelling work (see para 2.11) was also referenced.

- 4.6 Question five asked whether a value or a time based PPSS would be most appropriate for HS2. It defined a value based PPSS as one which required the government to pay a 'top up' (i.e. the difference between a property's sale price and unblighted value) in the event that an 'un-blighted' price cannot be achieved by the owner. A time based PPSS would require the government to acquire qualifying property at the 'pre-impact' price if the property is not sold in the open market within a defined time frame. A value based scheme seemed to be the most popular option as it would allow home owners to 'wait and see' how HS2 progresses. They therefore would not have to move immediately but would instead have the assurance that their property price is protected. One respondent favoured the time based PPSS as it would address the situation where no one wanted to purchase a property, so the scheme's promoter would then step in.
- 4.7 The next question (six) began by explaining that blight can change over time and at different stages of the project, including: after route announcement but before details of the environmental impact are known; after the announcement of details of the environmental impact but before the start of construction; and from the start of construction until the start of operation of the railway. Respondees were asked whether they considered that a PPSS should apply at all of those stages, and if so, why. The majority of those who answered this question felt that a PPSS should apply at all stages of the project to allow homeowners to decide without restriction if and when they would like to sell their property, just as they would in the absence of HS2. The point was also made that making the scheme available from route announcement could help reduce local opposition.
- 4.8 Building on question six, the next question invited respondents to consider whether the scheme should be different for each stage or whether a single scheme should cover all stages. The majority of respondents felt that a value based PPSS scheme that covered all stages of the project would be most beneficial, as this would ensure consistency for those affected and could be more easily understood. The suggestion was made for a variation in the first year of operation of a scheme, to allow 'buy-back' of the PPSS from the final owner for the properties that have not been bought by HS2 at any point.
- 4.9 At question eight, respondents were asked, 'Is there a risk that a scheme with a defined boundary will indicate that blight exists and so spread further blight?' There were mixed views on scheme boundaries and the difficulty of defining the area affected by blight was recognised, although accurate blight maps were still advocated. The general view was that a boundary is beneficial so long as it is accurate since it sets a limit on the affected area.
- 4.10 Building on question eight, respondents were next asked, 'If you believe there is a risk that a scheme with a defined boundary could spread further blight [...], how could this risk be prevented or mitigated?' For those that did respond, the key is to have clarity of information, with clear maps with outlined areas to provide evidence. Respondees again reinforced the need to have an independent voice in the process.
- 4.11 Next, respondents were asked, 'Should a PPSS only be introduced as a responsive tool in specific areas where blight has been identified?' The majority of respondents

felt that a PPSS should not be introduced as a responsive tool to areas identified by blight, as it should be universally applicable along the whole route to ensure fairness.

- 4.12 Question 11 described different methods for determining who would be in geographic scope for a PPSS. Options included in the question were: no boundaries, where a resident is able to self-identify that their property value has been affected by HS2; existing boundaries, as at 120m from the line in rural areas for the Rural Support Zone and 300m for the Homeowner Payment; fixed boundaries outside this area; variable boundaries based on physical environment, which could include a blight 'map'; and an assessment of impact akin to the 'Need to Sell' location criterion. This question produced a diversity of views, some perhaps based on personal experience. There were some concerns raised about how complex and subjective some of these options were and therefore how consistently they might be applied. There was some acknowledgement that the 'no boundaries' option could be open to abuse. And there was a suggestion for a hybrid approach, with a defined boundary but where claims from outside it would be considered on a case-by-case basis.
- 4.13 Question 12 asked, 'When considering a PPSS, should the following criteria be included: the homeowner should have a compelling reason to sell; evidence that the homeowner had no knowledge of HS2 prior to purchasing the property; the PPSS should expire once the railway is operational; the owner-occupier choosing to sell should have to accept any reduction in value; the PPSS bond should be transferable upon sale of the property'. Respondee were asked to tick all those they thought should apply and provide their reasons. Again, the question produced a mixed response. There was no consensus on whether a PPSS should be transferable. Most respondee did not consider that a PPSS should expire once the railway was operational, although one thought that a year after the start of operations marked a natural end point. The 'compelling reason to sell' criteria was widely rejected and a majority disagreed with the inclusion of a 'no prior knowledge' criterion. An insurance type bond was again suggested as a means of reducing cost to the Government.
- 4.14 Respondee were next asked, 'What do you think will be the best PPSS model for HS2?'. The most common view, although not the only one, was that a value-based compensation scheme offered the best model, as it gives the difference between the blighted and un-blighted value. This means that property owners are not forced to sell, and it was considered that it should run alongside other schemes. The scheme should also offer clarity and an honest price for the property.
- 4.15 Question 14 asked, 'How can we ensure that any PPSS can be easily understood by residents?' Respondee considered that a scheme should provide a clear and consistent message in simple language and it should be explained through face to face engagement.
- 4.16 Question 15 raised the issues of equality and diversity, asking what the potential impact of introducing a PPSS for HS2 might be on these aspects of communities living along the HS2 route. Those who responded suggested that a PPSS could help to keep local communities together and have a positive effect on equality and diversity. One respondee suggested that a time based scheme could decrease diversity by supporting property prices and hence, for example, fewer properties would be available for rent at relatively lower prices.
- 4.17 Question 16 was intended as something as a catch-all, and asked 'In general, what advantages and disadvantages do you see in having a PPSS for HS2?' This elicited strong support for a PPSS as the advantages are seen to be that those affected by HS2 are fairly compensated. Question 17 invited final comments, prompting a mixed set of responses. These varied from comments on the structure of the scheme to the

point that good communications would be needed. The issue of boundaries and entitlement to join the scheme resurfaced; the danger of having too many schemes was mentioned; and the point was made again that fair compensation should be paid.

- 4.18 Independent analysis of the consultation results found that a majority were undoubtedly in favour of a PPSS, and the majority of respondees favoured a value based approach. The analysis concluded that there is insufficient data quantum from which to draw an estimate of the cost of a PPSS to the Government, but that there might be opportunities for seeking further evidence on the structure of a PPSS and hence cost. The Government's decision, informed by these findings, is set out in Chapter 1 of this document.

Annex A: Glossary

Department for Transport

The Department for Transport, abbreviated to 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. 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 HS2 Ltd (qv).

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 a scheme not been proposed. Generalised blight occurs where, although land and property is not included within the safeguarded area for a scheme, nevertheless prospective purchasers either will not proceed with the purchase of that land or property, or will only offer a lower price.

High Court, the

The High Court is the third highest court in the UK. It deals with civil cases and appeals of decisions made in lower courts.

High Speed Two Limited (HS2 Ltd)

High Speed Two Limited, abbreviated to HS2 Ltd, is 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 (qv).

High Speed Two Phase One

The confirmed first phase of HS2, the high speed railway from London to the West Midlands.

High Speed Two Phase 2a

The proposed first part of Phase Two of HS2; the line of route between the West Midlands and Crewe.

High Speed Two Phase 2b

The proposed second part of Phase Two of HS2; the line of route from Crewe to Manchester in the west and Birmingham to Leeds in the east, with connections onto the existing rail network.

Homeowner Payment (HOP) scheme

The Homeowner Payment scheme, abbreviated to HOP, provides a cash payment to property owners living close to the HS2 railway in rural areas where the railway is not in a tunnelled section. The scheme operates within a zone (the HOP zone) made up of three 60-metre-wide bands. The zone starts 120m from the centre line of the

railway (at the outer border of the Rural Support Zone) (qv) and runs to 300m from the centre line of the railway.

Need to Sell (NTS) scheme

The Need to Sell scheme, abbreviated to NTS, is a discretionary scheme available to owner-occupiers who can demonstrate that 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 is no outer boundary to the scheme.

Property bond

The Government has previously consulted on a property bond in relation to HS2, but the technical consultation used the term Property Price Support Scheme throughout. The two terms effectively describe the same tool, but PPSS is a term more widely used in relation to infrastructure projects.

Property Price Support Scheme (PPSS)

A Property Price Support Scheme, abbreviated to PPSS, is seen as a tool that provides eligible property owners with a mechanism that ensures that no financial loss is suffered as a result of generalised blight. A PPSS therefore has the potential to help support the normal functioning of the property market by re-assuring property owners and mitigating generalised blight.

Rural Support Zone (RSZ)

The Rural Support Zone, abbreviated to RSZ, is the area that starts at the outer border of safeguarding and stops 120 metres from the centre line of the HS2 railway in rural areas. The RSZ applies to all phases of the HS2 route.

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.

Select Committee

Select Committees work in both Houses of Parliament, the Commons and the Lords. They check and report on areas ranging from the work of government departments to economic affairs. The results of these inquiries are public and many require a response from the Government.

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' (qv).

CCS1018858068
ISBN: 978-1-5286-0850-3