MINUTES OF ORAL EVIDENCE

taken before the

HIGH SPEED RAIL BILL COMMITTEE

on the

HIGH SPEED RAIL (WEST MIDLANDS – CREWE) BILL

Wednesday, 9 September 2020 (Afternoon)

In Committee Room 4
(Hybrid Proceeding)

PRESENT:

Lord Hope of Craighead (Chair)
Lord Brabazon of Tara
Lord Goddard of Stockport
Lord Haselhurst
Lord Horam
Lord Liddle
Lord Snape

IN ATTENDANCE:

Jacqueline Lean, Counsel, Department for Transport
Clare Parry, Counsel, Department for Transport

WITNESSES:

Roger Bedson (Parliamentary Agent)
Roger Deane (Petitioner)

IN PUBLIC SESSION

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(At 2.00 p.m.)

241. THE CHAIR: Good afternoon. This is a continued hearing of the petition in the name of Mr Nield. We are going to proceed now to listen to any further remarks Ms Lean has, if any. Then after that I'll pass to you, Mr Bedson, for your reply. Ms Lean?

Edward Nield

Response by Ms Lean

242. MS LEAN (DfT): I'm grateful my Lord. The only final point I think, to mop up, to say is that clearly as we're doing works here that interfere with an existing highway, the creation of a new stretch of realigned highway and the new junction off that highway, that will need to be taken forward with and approved by the highway authority. That was the only final point I wished to make.

243. THE CHAIR: Thank you very much. Any further questions from members of the Committee? No? In that case, Mr Bedson, it's over to you now for your final remarks.

Closing submissions by Mr Bedson

244. MR BEDSON: Thanks, my Lord. I can't help feeling, and do call me cynical if you wish, but I can't help feeling HS2 are trying to get themselves into a little bit of a ransom situation here. We've stated that we're not asking HS2 to pay for anything here for us. We're simply asking they give us the same connectivity back to the highway post-scheme that we enjoy now. And we're not talking about the existing access with that. If I could please refer you again to A13(13), that is my exhibit showing the blue road. That road was designed by a company called Croft Engineering for a major housebuilder, and shows the access that would be suitable and would comply with highways legislation, to get access not only to the petitioners' site but also to adjoining land. All we need – and surely this isn't a big ask, I would hope – all we need is to be able to connect to the newly realigned highway in a similar way. If you recall my plan, A13(14), where I coloured quite a considerable area of land orange, if that land coloured orange goes back to the local highway authority, then that's fine. We'll have to deal with them in the usual way to put in a development access, which we're quite happy to do. But we must make sure as much as possible please that we retain access to the road frontage as we have now to gain access for a development.

245. What we don't want to do – I know Ms Lean has referred to the compensation code and claiming compensation – frankly, we don't want to be in a position where we're rowing about an amount of compensation. We simply want a road that will allow us to plug in our site, as we can now. It's as simple as that. We don't want six years' worth of rowing about the compensation figure. That's a waste of everybody's time. I think essentially, my Lords, that concludes.

246. THE CHAIR: Well, thank you very much indeed Mr Bedson. I think you've made your position very clear and an extremely helpful summing-up.

247. MR BEDSON: Thank you very much.

Bryan and Roger Deane

248. THE CHAIR: In that case we'll conclude the hearing of this petition. I'm going to pass straight on, if I may, to the following petition, which is petition 10 in the name of B and R Deane. I'm going to follow the same procedure as before. I'm going to ask Ms Lean to introduce the case to us. Then Mr Bedson, you're appearing for the petitioner. I've been reminded that you have a witness who needs to take the oath so perhaps I should pause before we go any further and you can present your witness to us and Mr Turner an administer the oath.

249. MR BEDSON: Many thanks, just one moment please. I'll go and collect them.

250. THE CHAIR: Thank you.

Witness sworn

251. THE CHAIR: Ms Lean, would you be kind enough to introduce this petition to us?

252. MS LEAN (DfT): Certainly, my Lord. My Lord, the petitioners before you own and occupy land at Micklow House Farm. You see the location of that on P35(1). The holding is farmed as part of a larger concern but with some commercial diversification on this site. The petitioners' land at Micklow House Farm is required during construction and operation of the railway. You have the construction plan at P35(2). For context, this site is to the south-east or to the east of the Stone infrastructure, the

IMB-R. So you see the railway approaching the IMB-R as it passes through the southern part of the petitioners' landholding here. To draw your attention to the fact that you have the existing Norton Bridge –

253. THE CHAIR: I think one of the members has a question to put to you.

254. LORD BRABAZON OF TARA: Not for Ms Lean. I haven't got the links to these petitions, I don't think. The only links I have had are the ones we used this morning. I don't think I've got –

255. THE CHAIR: I think they sent – the following email would have them.

256. LORD LIDDLE: I've got a link to it but I can't open it.

257. LORD BRABAZON OF TARA: I know. It's not the internet link.

258. THE CHAIR: I think what happened was that we were sent further copies. If you look at further emails, later emails, you'll find they were re-sent in a form that we could receive and open.

259. LORD LIDDLE: Ah right.

260. LORD BRABAZON OF TARA: P35 I've got in a form of a Word document but I can't –

261. LORD LIDDLE: It's a document I can't open.

262. LORD BRABAZON OF TARA: I can't open it.

263. THE CHAIR: It was sent to us yesterday at 18.44.

264. LORD LIDDLE: Ah right.

265. THE CHAIR: The last email I received yesterday afternoon. That's P35.

266. LORD LIDDLE: Right. I haven't got that one.

267. LORD BRABAZON OF TARA: I haven't got that one.

268. THE CHAIR: P35 on its own. The previous one was the other two documents.

269. LORD BRABAZON OF TARA: I need the ones like we had this morning with the internet link. I'm sorry.

Sitting suspended.

On resuming –

270. MS LEAN (DfT): I believe we were just turning to P35 page 2, which shows the position during construction in respect of the petitioners' property. To the west of the petitioners' property, which is shown by the red line in the usual way, you have the area which will be the Stone IMB-R. I'm conscious that some petitioners will be raising this with you potentially next week so I wasn't proposing to say more about it now but you can see as the railway passes through the southern part of the petitioners' property it is essentially on the approach to the Stone IMB-R. Also you will see to the west or the north-west of the petitioners' property you have the existing Norton Bridge to Stone Railway and to the south, the M6 motorway. To point out as well, the existing settlement in this area you see in part in the top-right hand corner of that plan, at G and H, and I'm sure that Mr Bedson will expand on that a little further in his presentation.

271. In terms of operation, you have the usual plan at P35, page 3. You'll see from that that there is a part of the land towards the south which is required for the permanent railway and there is also some ecological mitigation and planting and a couple of balancing ponds to provide drainage for the HS2 railway and for the Network Rail assets in that location.

272. My Lord, the petitioners have previously raised concerns which have included the location and extent of planting and ecological mitigation on their site, balancing ponds and access. Those matters have been addressed by way of assurances and confirmation of what the situation is in the Bill or an additional provision. You do have the assurance letters in the pack before you but I don't understand those to be live today so I wouldn't propose to take you to them.

273. A key concern for the petitioner which is pursued before you today is about certain operations within that area of the plan which is marked as Micklow House Farm. In particular there are some calf-rearing sheds, and forgive me if I've used the wrong word, towards the bottom part of that group of buildings, where there is a concern about

the impact on that use as a result of construction activity.

274. THE CHAIR: As you understand it, are those buildings immediately adjacent to the land coloured green to the north of the railway line?

275. MS LEAN (DfT): My Lords, yes, that is my understanding and certainly in the petitioners' exhibits at A14(8) you have more detail about what is specifically located within that conurbation of buildings. My Lord, the petitioners' concern is that as a result of the impacts of the works in that area that those calf-rearing facilities will need to be relocated. The promoter has accepted that relocation of those units by the petitioner would be a reasonable mitigation on their part and so could be included within the scope of a compensation claim. An issue that has been of concern for the petitioners during discussions has been about monies to fund that relocation being made available so that relocation can occur prior to the works commencing. My Lord, assurances have been given by the project in that respect and have reached a stage where there is a proposal for a mechanism by which those funds can be released to the petitioners to enable that to occur, the mechanism being an early acquisition of the land ahead of when the project would usually go on and acquire that land either by entry or by vesting under GVD.

276. My Lords, the proposal is set out on the letter you have at P35(8), which was a letter from the promoter of 22 October 2019, which essentially sets out that the promoter has been looking to develop the business case to explore the options to mitigate the impacts on the scheme in advance of Royal Assent. The mechanism that has been looked for is an early acquisition agreement such that the acquisition was essentially brought forward, which would release monies by way of the advance payment regime or a parallel to the advance payment regime, that could then be used to provide alternative infrastructure elsewhere on the petitioners' holdings in advance of the works commencing but with a provision for the petitioners to be able to carry on using their existing farm holding under a farm business tenancy until the point at which it was needed for the scheme so that there isn't an interruption in continuity of operations.

277. There's a reference there in that letter to heads of terms having been drafted. Heads of terms have been circulating between the parties. I think you have a version of them included within the petitioners' exhibits although that's not the most up-to-date

version that's been passing between the parties. But in broad terms those heads of terms would provide for the mechanism by which the land is acquired early and there would be an advance payment of 90% of the promoter's estimate of the value of the land to be acquired and a specified sum that's connected with the relocation of the calving sheds aspect of a disturbance claim that the petitioner may include in their wider compensation claim, the idea being that that will release funds but there would still be scope if there was a dispute about the purchase price or other aspects of the compensation claim for that to be referred to the Upper Tribunal if it's not possible to be agreed between the parties.

278. THE CHAIR: Can I be clear what the various heads of claim would be? There's the acquisition of land, which is the market value of the land under rule 2, I take it.

279. MS LEAN (DfT): Yes, my Lord.

280. THE CHAIR: Then there's an additional element which is compensation for the expense in relocating.

281. MS LEAN (DfT): Well, my Lord, it's a sum that is associated with the need to relocate the calf-rearing units.

282. THE CHAIR: Yes.

283. MS LEAN (DfT): Essentially it's a special adaptations payment under the disturbance compensation head of claims, so rule 2, paragraph 6, I think that would be. My Lord, it's not a full and final agreement or valuation of all heads of claim that may be brought into the compensation claim. It's those specific aspects – the 90% of the promoter's estimate of the value of the land to be acquired and a specified sum in connection with the calf-rearing units, the idea being that would provide monies which would enable the petitioner to undertake the relocation of those units. But it's not a full and final settlement of all heads of compensation claim they may wish to bring and that's expressly provided for in the heads of terms, together with the provision for a separate matter to be referred to the Upper Tribunal if the figures can't be agreed.

284. THE CHAIR: Has there been any receipt, any reply to that letter?

285. MS LEAN (DfT): Yes, my Lord. The letter I've taken you to is from October

2019. I would have to double-check the date, but included in the petitioners' exhibits at A14(13) you have version 2.4 of the draft heads of terms that are passing between the parties, and I believe they're now at version 2.6, although those are not included in your exhibits bundle. So there has been ongoing dialogue between the petitioner and the promoter about the heads of terms. An area that is outstanding relates to the valuation. But again, I don't want to pre-empt what Mr Bedson may wish to bring to – that is, I hope that's just by way of an introduction where things currently are.

286. LORD LIDDLE: Valuation of what?

287. MS LEAN (DfT): The figures – as to the value of the land to be acquired, the open market. The value of the land to be acquired, I believe, is not agreed between the parties.

288. THE CHAIR: That would have to go to the Lands Tribunal, if not agreed.

289. MS LEAN (DfT): Yes, my Lord. That's our position.

290. THE CHAIR: Is that where matters stand?

291. MS LEAN (DfT): I hope that is a relatively objective introduction to this petition, putting it in context and where matters have reached between the parties to date.

292. THE CHAIR: Well unless any member of the committee has a question to put at this stage, I think, Mr Bedson, can we come to you to present your case to us?

Submissions by Mr Bedson

293. MR BEDSON: Thank you, my Lord Chairman. Yes, you can. Thank you again to Jacqueline for presenting that introduction and résumé. If we could move please to A14(8)? If we have that, the petitioners' land here is shown edged green. It is around 165 or so acres of land that borders the edge of the market town of Stone. If we look at this plan, where I've got 'appendix B' written and highlighted orange, all of that land over there is currently being built for houses. Houses are on there. Now that development is being finished off. So I've got a north-south-east-west point in the top left-hand corner in my plan there. If you look at the north-eastern boundary of Mr Deane's property, edged green, that is where the housing comes to from Stone presently.

Our land is the next one over the fence. Again, there's been a lot of historic and recent developer interest in this site offering minimum land prices and option fees, etc. An option agreement has now been entered into by way of a hybrid agreement which is a part option, part promotion agreement with a developer and that encompasses pretty well everything except the HS2 land. It's clear from a lot of unsolicited letters that we've had in the past that developers were very, very keen to look at the whole site. By way of example we've got A14(36) through to A14(40), which are offers made by Taylor Wimpey and St Modwen. Those are just two demonstrating that they're really keen to look at land in this area for developments.

294. There is also now some housing on the south-east of Eccleshall Road as well which isn't shown on this plan. Essentially, the local plan is creeping slowly this way – quickly this way, as it happens. Essentially that is our concern at the moment.

295. The farm is farmed as part of a larger concern. There is a feed mill on this site. If we look at the area which is shown hashed purple on my A14(8), if we could please? That is an industrial/commercial area. It is currently let to Carrs Billington for a feed mill. There is also a haulage company on site. There was a former occupier there, North Western Feeds. The Deanes some years ago set up their own feed mill. They didn't quite think the cattle feed they were buying was quite good enough so they set up their own feed mill. As it happens, they did very well out of it and they sold it to NWF.

296. To highlight the losses that have occurred already, if we can go please to A14(9)? That is a letter from NWF Agriculture who bought the feed business from the Deane family and who in the light of HS2 decided that they wouldn't dare invest further in this site. There's a few points they made in the letter. First one, and I'll quote from the letter, 'When we purchased SC Feeds in 2013, we did so with a view to expanding the operation in that strategic location'. They go on to say, 'The various plans released by HS2 meant that there was some considerable uncertainty in the area, not only in terms of the land to be required, but also in terms of future traffic movements and accessibility to site'. This was back in 2016 and nobody quite knew where the route of HS2 was going to be. It was floating back and forth a little bit at that time.

297. They continue, 'The uncertainty was a significant contributory factor in our decision to close the plant and relocate to Cheshire and Cumbria'. Well, strategically

that's miles away. So it was a pretty big decision for them to make. They conclude by saying, 'Investing a multi-million pound project in an uncertain location was not something that we would readily undertake'.

298. THE CHAIR: Mr Bedson, I wonder if you'd – forgive me – I'm trying to locate what you're talking to us about now to the various points raised in your objections to the Bill. I'm looking at the document R30, starting at R31. You may recall there are a series of issues which are identified in this document, some of which have been resolved. But which of the issues are you addressing at the moment? Can you tell us?

299. MR BEDSON: I'm highlighting the losses that have been made already in the shadow of the scheme.

300. THE CHAIR: Which are the issues though? I'm talking about the issues in your list of objections. The rules tell that you must stick to the objections which you've taken of which notice has been given. I want to be quite sure we're dealing with something which is in your list of objections.

301. MR BEDSON: Right, forgive me, my Lord. It may not be specifically in there. I'm highlighting the losses occurred already for the petitioner in the shadow of the scheme.

302. THE CHAIR: Well if this is general background, I can understand it.

303. MR BEDSON: It is, my Lord.

304. THE CHAIR: General background. Okay.

305. MR BEDSON: It is. Yes. Thank you. Moving on, the commercial buildings now in that purple area have now been re-letted and purposed and within that purple hatched area on my A14(8) that is now the commercial, industrial use on this site and a very important one and a very profitable one, as it happens.

306. Adjoining that, coloured blue, is the calf-rearing unit. This is a specialist calf-rearing unit located in this position. That is essentially the mainstay of the farm business. As we stand at the minute, importantly we have a chunk of land on the edge of Stone. It appears in the first and second choices in the emerging draft level plan for

the development to go and most of this land is in a hybrid option agreement now. But for HS2 we're pretty sure that all of it, apart from the commercial area and the calf-rearing area, which is a mainstay of their business, all of the rest of the land would be in that promotion agreement.

307. I can move on to the impact on the business now. Importantly the farm raises 700 to 1,000 black cattle a year. It maintains a higher profit margin here by buying in baby calves and very young animals and milk-rearing them. This is what the specialist calf unit is all about. I'm pleased to note that HS2 accept the point that this needs to be relocated and we have got to that phase. This follows a very long and tortuous negotiation process but that's where we are. So we have a sum of money offered to replace the calf-rearing building, which is good and which is helpful, but they're based on figures that were now prepared two or three years ago. That's how long this process has taken. So they're probably slightly out of date. But nonetheless, that's where we are at the moment.

308. The two main issues here are that we have a requirement to replace the calf-rearing buildings, which we have heard their offer in their heads of terms, but also a requirement for the development value to be reflected properly in the land acquisition.

309. I understand that has gone through HS2's guidance to provide this sum for the calf-rearing buildings but unfortunately there are some strings attached to it which we are having some difficulty with. I note that Jacqueline Lean mentioned the original offer letter that came through in October 2019. Well that offer letter was made on the very eve of the two week deadline set by Lord Walker for making offers in advance of the original House of Lords Committee hearing date.

310. That offer letter, frankly, was pretty hopeless. All it did was offer us agricultural value for all of the land, whether required temporarily or permanently, that HS2 wanted to take. There was nothing in it for the calf relocation, nothing in it to reflect the business losses. It was simply an offer to acquire land agriculturally. What has happened since then – and Ms Lean is quite right – we have had further discussion since then but what my Lords you won't have seen is that on Friday, after we'd submitted our evidence packs to you, they sent us another offer, which is slowly sort of getting there in terms of what we believe to be fair, but it isn't there yet.

311. THE CHAIR: It's an improved offer, but not enough.

312. MR BEDSON: Quite, yes, but again, it was sent after we'd submitted our document pack so we've become between a rock and a hard place as to how to pursue this. The offer that they've made comes with strings attached to it really because it says that we have to sell the lands to them now, which we're quite loath to do because if we sell the land now, then we galvanise a valuation date. But as time goes on, the land will become more valuable. The current local plan is due for adoption in 2022. When we get nearer to that point, the land value gets more money. So Mr Deane puts it rather well by saying, 'Why would he sell his family silver now at scrap value?' and I take his point entirely.

313. Nonetheless, we have to deal with these calf buildings because if we don't relocate them in time for HS2 turning up, the business collapses. So we're a little bit between a rock and a hard place. We either accept an early valuation date and hence row for the next six years again about what the value is worth or we try and hopefully build a bit of fairness and pragmatism into this. The offer that they've made for the buildings comes in tranches. They give us 40% of it when they acquire the land. They give us another 20% when we issue a building contract. They give us another 20% on practical completion and the remaining 20% when the buildings have been occupied by the Deane family for the stated purpose.

314. Well that's okay but as I said in the earlier sessions today with Madders, Parrott and Smith, we've run out of time. We know it's taken Mr Deane almost two years to get planning consent for some sheep sheds on their other farm and we're pretty sure that we're not going to get planning consent here in a hurry, in an alternative location for the calf-rearing sheds. So we need flexibility in how this money is spent and paid to us. It may be the case that we come out of here and quickly put in a planning application on other land which is owned by the family to relocate these buildings, but in parallel it may be – and we don't know the answer to this genuinely – it may be that they can find another farmstead to buy with buildings already in place which can be repurposed at some cost. That would be a quicker route than pursuing planning consent. But given that they have accepted the fact that the buildings have to move and have to be replaced, and given that they've offered some money, we seek some flexibility in that and we'd rather seek it up front so that we can decide how best to spend it and where to spend it.

315. THE CHAIR: I understand exactly what you're saying and the points of dispute, but what are you asking us to do?

316. MR BEDSON: Essentially build some flexibility into this, to ensure that they pay us that money up front so that the Deanes can move on and do what they need to do with some flexibility rather than being locked into a process of having to get planning consent.

317. THE CHAIR: We can utter some words of encouragement but there's a limit to what we can properly do. We can't strike values. That's not our task. That has to be for a tribunal that's properly equipped to look at land values and compensation values. So that's not a task we can perform. We can ask for an assurance but it doesn't look as though this is a context in which assurances are needed, so I'm just wondering what we can do for you given the obvious need for further negotiation to achieve a result in time to move out of the buildings before works begin.

318. MR BEDSON: My Lord, what we're seeking to do is to build some flexibility into this as to when the money arrives. Having it arrive on a drip like that is fine so long as we get planning consent in time. HS2 are likely to turn up in 2022. That only really gives us 18 months to get planning consent, to award building contracts, to build new buildings and to occupy the buildings. We've run out of time again. We've been discussing this for well over two years with them and it seems to have been behind the curve of a lot of the other cases. So that's where we are with that. If we can ask if this is something that you can address to ensure that money comes forward in a – they've already agreed the quantum of it; it's just how it gets paid is the issue.

319. THE CHAIR: So you don't like the phasing arrangement.

320. MR BEDSON: Quite so.

321. THE CHAIR: It gives tranches of money far too slow for your purposes; is that right?

322. MR BEDSON: Quite so, yes, absolutely My Lord. Yes. And the issue then, and you may well comment and forgive me if I'm asking you to step out of your remit, but the valuation date for the land again is something that concerns us because in the normal

course of events HS2 would probably serve GVD in 2022, in which case we're a lot nearer to the local plan being adopted and a lot nearer to their land having a more galvanised value. So if there's a way that we can convince HS2 to buy the land later, then that again is of huge assistance to us because it compensates the landowner fairly, which is all, really, we ask to happen.

323. THE CHAIR: Yes.

324. MR BEDSON: So in terms then of the value of the land, we have finally got an increased offer, but only very recently and that does start to reflect some of the hope value. But again, you know, we have concerns that these are heads of terms. They're not draft, they're not signed, they're not binding. We could come out of this process and find nothing happens. I doubt it will and I hope it doesn't. I hope something does happen but it leaves us in a difficult position with documents that aren't necessarily binding. We don't have a similar assurance here that we have on the other cases. So that is where we are at present. Those essentially are the main points. We are desperate for something to be done about the calf-rearing business because if we don't get on with that soon the business will fall to bits. We're very keen to finalise land value. As Mr Deane has pointed out to you, he's got family coming up behind him to take over and they're very keen, very hardworking. But he doesn't want to be arguing about this when he's 70. He's 64 now. I hope he doesn't mind me telling you that. So we're keen to get this settled quickly and if we can address those two issues and the flexibility in the timing of the payments for the calf buildings, that is going to go a long way to help us.

325. THE CHAIR: I'm going to ask the committee whether they have any questions. I see Lord Haselhurst has his hand up. Lord Haselhurst?

326. LORD HASELHURST: Thank you, Chairman. Mr Bedson, are you able to tell us without infringing on confidentiality what was the percentage increase in the latest offer that the petitioners have had? Was it miserly or was it appreciable or extravagant? What was it?

327. MR BEDSON: My Lord, are you referring to the land value here?

328. LORD HASELHURST: Yes.

329. MR BEDSON: Well the bulk of the land value, the original offer was based on something a little in excess of £10,000 an acre. Forgive me; I can't remember the exact figure. But for the bulk of it, that has increased to about £18,000 an acre – sorry £17,000 an acre. There is a small area within the current option agreement which they've offered about £40,000 an acre for but that's only a very small area. So on the whole, they increased it to about £17,000 an acre, which isn't even two times agricultural value.

330. LORD HASELHURST: But it's still an appreciable increase, if we're talking about continued negotiation and flexibility.

331. MR BEDSON: It is an appreciable increase, my Lord, but it doesn't really bear any resemblance to what the land would sell for. I know for a fact if that was my land and it sat where it sat on the edge of Stone with the local plan, I'd be absolutely bonkers to sell it for £17,000 an acre – not unless there was a significant development clawback and an uplift clause, which of course we can't do in compulsory purchase. It's a big problem for us.

332. LORD HASELHURST: Yes, I understand that but I'm echoing what the Lord Chairman has said. I see some difficulty for us as a committee to be able to bring certainty into this situation. In fact, your own words suggested that we should be calling for flexibility. But what does that mean? Everyone might say, 'Well we would hope that there would be flexibility in order to get an agreement' but to say that is saying no more than what we know at the moment that there should be continuing negotiation. You wouldn't be adding any weight to it by repeating that.

333. MR BEDSON: I agree with that, my Lord, and thank you. The flexibility argument is actually in respect to the calf-rearing buildings in that particular unit, which is a separate discussion to the agricultural land elements. It's the calf-rearing unit where we need some flexibility rather than being locked into a draconian method of payment.

334. LORD HASELHURST: And as the money which is being sought by the petitioner ultimately comes from the public purse, don't we also have to take into account the contingency the whole thing might yet fall flat? The circumstances may arise – I'm not trying to be alarmist in any way – but that the housing development plans may collapse – they can no longer be afforded – or there's political pressure, as you

must be aware, still opposed to further development of HS2, and that would have an effect. So that people might then say, 'Well, how on earth would you conclude a deal at a certain level of money based on the supposition only that everything was going to go ahead and took no account of some change that might, however surprisingly, take place'?

335. MR BEDSON: I take that point on board, my Lord. We can only work with what is under our noses. We are told that HS2 is happening and in order to mitigate what would otherwise be a substantial claim for the collapse of the business, HS2 have offered this money to go away and relocate elsewhere, for which we are grateful. We'd be more grateful if it would have happened in a timely manner and we weren't sitting here but, nonetheless, we are. It's only really the timing element that is causing us to say, 'Look, we may not have time to get planning consent if we build this lot there because of the length of time this has taken'. It's as simple as that. We need some flexibility to perhaps be able to go and buy another farmstead and repurpose buildings on that. That may never be an option because there's nothing obviously for sale that we can see. But we're trying to keep our options open and be a little fleet of foot if we possibly can from our end and to mitigate our own losses.

336. LORD HASELHURST: I understand you must fight the cause, of course. That's right. This is a free country. People must seek to get what they regard as the most equitable and helpful outcome. We as a Committee are able to assist that.

337. MR BEDSON: Well, thank you for those comments, my Lord. I don't quite know what I can add to that.

338. THE CHAIR: Any other questions from the Committee?

339. LORD HASELHURST: Thank you.

Evidence of Mr Deane

340. THE CHAIR: Mr Deane, I think we can pass now to you to present your reply to the case. Mr Bedson?

341. MR BEDSON: Mr Deane, as a witness, would like to raise one or two points please, if he may? Lord Chairman, is this an appropriate time to hand over please?

342. THE CHAIR: Yes. I beg your pardon; you would like to lead some evidence from Mr Deane, is that right, or am I picking you up incorrectly?

343. MR BEDSON: Mr Deane would like to say one or two things as a witness.

344. THE CHAIR: Right. Yes, alright, please let's have Mr Deane.

345. MR BEDSON: Thank you.

346. THE CHAIR: Good afternoon, Mr Deane.

347. MR DEANE: Good afternoon. Thank you. Really just to try and get through one or two points that Mr Bedson has put forward. You asked what we really requested of the Committee. The reason we're here I think is out of sheer frustration. I don't want to go over too much detail that Mr Bedson's already done. Very briefly, we first had a very first green book appraisal to see if the calf-rearing was due to be approved or was possible to be approved and that was November 2018. So we're two years down the line and as Roger said to you, HS2 seem to put things at the last minute, which makes it very, very difficult for us to negotiate. So they've proved it yet again when they've sent another heads of terms through on Friday and requested us to discuss those on Monday morning. So we have to move very, very quickly and then they move at their own pace. They've offered a percentage of what I've estimated the calf-rearing buildings to rebuild, but as we are now two years down the line I think they want looking at again, if we're going to go ahead with it, to make sure we're not out on estimate. In there, we haven't included planning costs and management time for the rebuild, yet they've still discounted the original figure by quite a sum for, in their words, 'betterment,' which I can't get away from. But I just think they're hitting us fairly hard on that.

348. Covering the flexibility of the way they want to pay us, as Roger's gone through, we're going to lose, it looks like, somewhere in the region of 80 acres of ground. Well, we naturally want to replace that ground and it may be possible, as Roger said, to find a small farm with buildings already there. So if we were paid out as a lump sum rather than in stages – we're being paid to rebuild those buildings, rather than relocate – so if we could have it as a payment which would be on final settlement for the calf compensation part of our business, then I think it would give us a little bit more flexibility rather than having to build. We can look at more options.

349. Another stumbling block that Roger's covered is the valuation of our land. I don't sit with rose-tinted glasses. I try and look at it as being fair to everybody, including the taxpayer. We've given evidence of some ground that's been in excess of £40,000 an acre with an uplift, yet they've come back to us and said, 'We'll just put four acres of your ground in at that. The rest of it can go in at £17,000 an acre.' Bear in mind that as a family we would never sell that land and the only time we would sell would be for housing because of the sheer uplift in price. Now, is it appropriate for me to say what's in our option agreement? Yes? So within the option agreement that we've got with the house builder, once he gets planning permission, they are in their right to force a sale because of all the expense they've gone through to get planning. Well we have a minimum price written in there just in case the economy was in a mess at the time. They were happy to put a minimum price in there of £220,000 an acre. Yet I'm in a position with HS2 that they're offering me £17,000. So that leaves a little bit to be swallowed as such.

350. And just one thing that Roger has brought up was the *Horn v Sunderland Corporation* [1941] case. What would you call that, Roger? It's an equivalence. That states, in a scheme world, that is the valuation that we should have for that land. Well I'm not saying it's going to be £220,000 an acre as it is now. But it's certainly a lot further upwards from their £18,000, where they are at the moment. So that's where we are with that.

351. We were asked if we would take a full and final settlement in one of the negotiations and I think we would, rather than argue over the next six years or so. The reason I say 'six years or so' is because I've got two neighbours that have been involved in the compulsory purchase acquisition for Network Rail. They took a percentage on day one for the price of their land and, lo and behold, it's just gone over the six years and they've had to instruct QCs to keep the job alive. Unluckily one guy died at the weekend and he never will know what he got. As Roger said, I'm 64; I don't want still to be arguing about the price of some land when I'm 70. So I would prefer a full and final settlement and it would probably be the best outcome from the public purse because I wouldn't be talking anywhere near the figures if they keep leaving it open. I'm already out of pocket with regards to some of the outline that Roger was giving you earlier and that's four years down the line, and I just wondered how much longer I've

got to be out of pocket on just that part of it, and I don't want to keep going around in circles and worrying what next year and next year and next year. I'm the sort of person – get on, put up with it and move on – and that's what we really want to do.

352. One other thing, I don't want this taken as a gripe; it's an objective criticism of HS2. In most of the negotiations we've done with them, there's been a very, very big lack of continuity. We've just had another heads of terms sent to us on Friday. You can't see this because you haven't got it in front of you, but the map that was sent with the heads of terms doesn't represent any of the maps that are in your petition or their response. So they keep on getting paperwork wrong. It's just a lack of professionalism on their part really. Everything is always done at the last minute.

353. All I will say is to conclude, and thank you for your time, is that I'm in partnership with my cousin, Brian and myself. Genuinely all we want to ask the Committee is to try and make sure that we get treated fairly as human beings and not people that can be bulldozed. They're not just buying land; they're actually dealing with people and that's all we ask – for a little bit of respect. Thank you.

354. THE CHAIR: Thank you very much, Mr Deane. You've put your position very clearly, if I may say so, and we fully understand the problems you face and the sense of irritation that matters are still not yet resolved. You put the position well. Thank you very much indeed. Can we come back to Mr Bedson just to be sure whether he has something more to say before I pass on to Ms Lean for her reply?

355. MR DEANE: Yes. Thank you for your time.

356. MR BEDSON: Lord Chairman, thank you. I think that concludes for me. Thank you very much.

357. THE CHAIR: I think as I may have said at the beginning, you have a chance to come back with any points after Ms Lean has addressed us. So over to you, Ms Lean, to present your case, please.

Response by Ms Lean

358. MS LEAN (DfT): Thank you, my Lord. My Lord, as you I think will have gathered from the representations you've heard and the evidence of Mr Deane, there

have been discussions ongoing for quite some time about how to address the impacts of the HS2 scheme on this holding. Just if it assists for an initial point of context, I took you to the construction plan on P35(2) and to note that the calf-rearing units that we've been talking about are not included within Bill limits so they were not part of the land which under the Bill the project sought to acquire from the petitioner. That has been one of the matters that has had to be considered in terms of how to address the petitioners' concerns vis-à-vis potential impacts on that part of their operations as well as considering what the impacts are likely to be and whether they could remain in situ and whether it could be controlled at source. As I said in the outset, the project has acknowledged the petitioners' concerns and has reached a point where, although those units wouldn't be lost to the scheme under the exercise of compulsory purchase powers, an arrangement's now been reached whereby those calf-rearing units can be brought within an agreed acquisition.

359. THE CHAIR: The position is, 'Not within the Bill limits so the only alternative is to enter into an agreement for their purchase voluntarily'.

360. MS LEAN (DfT): It's part of what's included within the heads of terms.

361. THE CHAIR: Would you be able to exercise compulsory powers or not?

362. MS LEAN (DfT): No, we don't have powers to compulsorily acquire the calf-rearing units.

363. THE CHAIR: Right, so I understand that. So it has to be a voluntary agreement entered into.

364. MS LEAN (DfT): Yes.

365. THE CHAIR: Like any other contract.

366. MS LEAN (DfT): That's one of the factors that has factored into this. Aligned to that has been the need to consider from the project's perspective the likely impacts of construction and dust and suchlike on these units and whether and to what extent there can be confidence on the part of the petitioner as well as the promoter that those impacts could be managed with the calf-rearing units remaining in situ. So there has been a lot of work that has had to be undertaken before we've got to the position that we have

today. I just put that in context because I note something was said about 2016, 2017, 2018 – that there have been a lot of things that have had to be looked at.

367. My Lord, having reached the point that the petitioners view that these units need to be relocated and where the project has got to on that, what has had to be looked for is a mechanism by which that can be achieved. As my Lords would be aware, ordinarily the entitlement to compensation is triggered broadly around the time that you take the land. I know there's some modification on that in the 2017 Act but it's broadly – as Mr Bedson alluded to – if this was GVD, that's the point which you're looking at for your compensation and your valuation date for compensation.

368. But in circumstances such as this petitioner and for other petitioners, including one of the ones with the joint statement this morning, it's acknowledged that the petitioner needs to be able to put in place some infrastructure or some replacement land or something of that sort more in advance of that in order to be able to try and mitigate the impact on their operations and mitigate the loss that would otherwise flow from the scheme. So in those cases the project has sought and gained approval for an early acquisition of land to trigger the payment of compensation monies under the compensation code and through that means providing the funds to the petitioner to go away and re-provide or alter their operations or their infrastructure, to get that in place before the project comes along on to the land.

369. Why I put it that way is because this is tailored as a compensation code entitlement, but a bringing forward of the compensation code entitlement by acquiring the land and triggering the compensation entitlement, as it were, earlier than the land is actually needed by the project. I put it in those terms because that is essentially where we get to in terms of this point about, 'Well if I could hold on to the land or if you don't acquire the land until 2022, there might be a greater value in it but can we have the calf-rearing costs now?' is that under the compensation code, you can't separate those two out because they all sit together on that compensation claim that is triggered by acquisition of the land. So you trigger the claim for compensation, you get your rule 2 compensation for open market value for the land that the promoter acquires and you get your disturbance costs – here reflected as a special adaptations payment for the replacement calf sheds bound up with that. You can't essentially divorce the disturbance cost element of the claim and say, 'Well, we will pay that based at 2021' but

then say, 'But for the open market value of the land, we'll take a 2023 date'. The two sit together as part of the same compensation claim with the single valuation date.

370. THE CHAIR: Are you tied to the compensation code if it's a voluntary agreement? The compensation code is built around a statutory acquisition, isn't it?

371. MS LEAN (DfT): Yes.

372. THE CHAIR: It's there for what happens if land is acquired compulsorily and I quite understand you have to apply rules because in that situation you're not negotiating by agreement so there have to be rules laid down by statute or regulation which you adhere to. But in this case, it's a voluntary arrangement. Can you not vary the details of the compensation code to adjust it to the circumstances of this case?

373. MS LEAN (DfT): My Lord, I think the issue there is that – it's voluntary in the sense of the land is acquired by agreement rather than under the powers of the Bill so even usually where you acquire land voluntarily – sorry, where that land is authorised to be acquired compulsorily under a compulsory purchase act or an Act, if you do it by agreement rather than exercising the powers, it would often be based on the compensation code and that's what's being offered here. That carries with it the protections, the ability to go to the Upper Tribunal and the reference if the parties can't reach agreement on the price. So you do a compensation code-based assessment of compensation. The entitlements are based on compensation code principles. It's just you bring it forward.

374. THE CHAIR: I'm sorry to keep interrupting you but does that mean that the offer that you make to Mr Deane is, 'We're prepared to acquire the buildings by agreement because we recognise the problems for calf-rearing and so on but we're proposing to do that on the basis of the compensation code'? That is the offer.

375. MS LEAN (DfT): Sorry, I apologise, my Lord; I've probably not been clear. The offer to acquire the land is not limited to the area that the calf-rearing units are on. This is an offer to acquire early all of the land that HS2 needs for the purpose of the HS2 scheme but in addition it's adding in the land the calf-rearing units are on. So this isn't just about the calf-rearing units. It's the wholesale, 'We will buy your landholding that we need for the scheme but we will buy it early rather than waiting for GVD or waiting

for notice of entry'.

376. That's why the offer, the whole offer is on the compensation code because it's mirroring what we would do if we did by exercising powers of compulsory purchase at the usual time. The voluntary bit is the fact it's an agreement and it's not technically GVD and then the compensation code trigger, and there's a small element of land that's included in it that wouldn't otherwise be acquired if we used those powers. So my Lord, I apologise if that wasn't clear because that is also reflected and I'm sorry, this comes on to the further point I was going to make in a moment, that there's a concern about the level of monies that are going to be released.

377. The offer of payment, the offer for the advance payment is not just this is the money that we've identified, the sum we've identified for the calf-rearing sheds. It's also 90% of the promoter's estimate of the open market value of the whole of that land that's to be acquired. Although Mr Deane has said there's the concern about, 'Is there enough money?', the money that will be available or the funds that will be available is not limited to the calf-rearing sum that's been identified in the agreement. There will also be that 90% of the estimate of the open market value of the landholding. Actually it's a rather more significant sum of money that will be payable on the completion of this agreement than just the sum that's linked to the special adaptations payment for the calf-rearing units. My Lord, you don't have the most up-to-date version of the heads of terms. I'm afraid from HS2's perspective we tend not to include with exhibits, bearing in mind these are public proceedings, documents that include commercially sensitive figures, but as there is a version in the petitioners' exhibits, if I could do this without expressly identifying the numbers. You will see that at A14(13) –

378. THE CHAIR: Give us a minute to find that.

379. MS LEAN (DfT): A14(13) – it's a document entitled, 'Appendix F: Heads of terms for a contract of sale, subject to contract'.

380. THE CHAIR: Yes. I've just about reached it. I need just a bit more time.

381. MS LEAN (DfT): My Lord, again, I'll try and do it without mentioning figures.

382. THE CHAIR: Yes, got it. Right?

383. MS LEAN (DfT): My Lord, you'll see there definitions for 'purchase price,' which is the promoter's view at the moment – as it was in that version – that price has moved on, 'purchased advanced payment' and 'calf-rearing unit compensation'. If I could ask you to turn through to A14(18)?

384. THE CHAIR: Yes.

385. MS LEAN (DfT): My Lord, you'll see there a reference to a 'purchase advance payment'. There's a figure there which is 90% of the Secretary of State's assessment of purchase price which is to be paid in the same way as if it was being assessed as an advanced payment under section 52 of the Land Compensation Act (1973). Separately to that you then also have at 12 the calf-rearing unit compensation payment. So in terms of the monies that would be payable at an early stage, it's not just the calf-rearing unit money. There's a bigger sum of money that the petitioners would then be able to use, for example, as he suggested, to perhaps acquire another parcel of land, which might obviate the need to build these units from scratch. I wanted to cover that off because there was a concern about whether there would be sufficient funds available and I wanted to make sure it was clear that the funds that would be made available on this early payment mechanism isn't just that base sum that's ascribed to the calf-rearing units.

386. THE CHAIR: Can you explain please the middle part of box 11 there on A14(18)? 'The price to be paid is based on HS2's assessment' – but am I right in understanding the middle part of box 11, that if there are elements that are not agreed in the total package, then the use of the compensation code allows the 'seller', if I can put that in inverted commas, to go to the tribunal for an assessment of that figure?

387. MS LEAN (DfT): Yes.

388. THE CHAIR: So that there's a flexibility in there working to the seller's advantage, one might think.

389. MS LEAN (DfT): Yes, my Lord. That's one of the benefits of moulding it by reference to the compensation code, is the promoter says, 'If we can't agree the figure, this is 90% of my estimate and here is the money' – obviously not right at this moment, but at the time when this is provided for in the agreement. So the person whose land is

acquired has a sum of money that they can use and if there's a dispute about the outstanding balance, if the outstanding balance can't be agreed – sorry, let me rephrase that. The 90% is 90% of the promoter's estimate of the total compensation payable for land value. If there is a dispute between the promoter and the petitioner as to what that total figure ought to be for the open market land value, then that dispute can be then referred to the Upper Tribunal and the parties will have to abide by the determination there.

390. If it is more than the promoter thinks, then they will have to make the appropriate payments. If it's less than the petitioner thinks and they've been overpaid on the advance payment, there's usually provision for that. But there's a protection there that if the parties cannot reach full and final agreement on the open market for land, it can be referred to the Upper Tribunal for an independent determination. So this is not a case of the petitioner just having to take – I'm sorry to put it in those terms – 'just accept' the promoter's figure. There is that mechanism for an independent determination if the parties can't reach agreement.

391. THE CHAIR: What happens to the 90%? That gets paid anyway, doesn't it?

392. MS LEAN (DfT): That gets paid anyway. It mirrors the system for advance payments under section 52 of the 1973 Act.

393. THE CHAIR: So you can argue for an increase and if you're successful, then the increase would be paid as well.

394. MS LEAN (DfT): Yes.

395. THE CHAIR: I see.

396. LORD LIDDLE: But you don't have to pay back money.

397. MS LEAN (DfT): I think there is provision under the regime in the 1952 Act that if the 90% advance payment is in excess of what the total open market figure is, then technically there is an obligation to pay back the excess but usually these apply to a much bigger compensation claim. But I don't think there's any suggestion of getting into that here but I just thought I should be clear. I think there is provision in the statutory regime for repayment of overpayments, if I can put it in those terms.

398. THE CHAIR: I see.

399. MS LEAN (DfT): But here, my Lord – I'm sorry; I'll pull this back together – this isn't a full and final, 'You've got to sign up to all the figures in here'. This was an agreement that came forward and a mechanism that came forward in response to what we'd understood to be the petitioners' request which was, 'I need funds in advance of when I would usually get them so that I can relocate and do what I need to do to my holding'. So this is the mechanism that the promoter has offered to ensure that monies can be released early, but it does not prejudice the petitioners' right vis-à-vis open market value or any heads of compensation claim that aren't included within this agreement or aren't expressly said to be full and final in this agreement, from being debated in the usual way and taken to the tribunal if needs be.

400. I'm sorry; I feel like I'm repeating myself. It's a mechanism to enable monies to be released earlier than they would usually be but mirroring the compensation entitlement that the petitioner would have if they had to wait for the land to be acquired under GVD or notice of entry, with compensation being triggered at that point. And I should just say, my Lord, because I'm conscious my Lord Hope asked about, in voluntary agreements, could something be done differently for this petitioner? This is a model and a mechanism that has been offered and accepted by other petitioners who are in similar circumstances to this petitioner, so other farm businesses affected on Phase 2A who have also had a need for early funds to be released so that they can re-provide farm infrastructure or adjust the operation of their holdings, and it is this model, this mechanism that has been used to do that for those petitioners.

401. THE CHAIR: Could you explain box 12 please? That's saying that, 'In the event the seller has confirmed in writing that it accepts the purchase advance payment and the calf-rearing unit compensation, then the amount would be payable as follows.' What about a situation, going back to box 11, where there is some element still in dispute? Does box 12 operate in that situation or does the seller have to agree everything before they can move on to box 12?

402. MS LEAN (DfT): My lord, I think the answer to that is found in box 32.

403. THE CHAIR: 32? Box 32?

404. MS LEAN (DfT): Which is on A14(22).

405. THE CHAIR: Yes. Well that tells you what to do if there is a dispute but I'm wondering whether you can move to box 12 unless everything is agreed. I would have thought that if you read boxes 11 and 12 together, box 12 is without prejudice to what box 11 is telling you about.

406. MS LEAN (DfT): My Lord, I think there probably has to be an acceptance of box 11 but I don't think box 11 precludes the petitioner from being able to take issue with the final purchase price because of what's said in box 32.

407. THE CHAIR: That's what I would have thought. The two are read together.

408. MS LEAN (DfT): I think it would be accepting the purchase advanced payment – i.e. that there would be a purchase advance payment of that amount. But I think that is without prejudice to their ability to refer the final purchase price as a dispute to the Upper Tribunal. I will ask for somebody to confirm that urgently if I have misunderstood but essentially it sort of sets the: 'This is the money you're going to get now' but it doesn't prejudice them going to the Upper Tribunal and saying, 'Yes, you gave us 90% of what you think is the right figure but the right figure is wrong; the total figure for our open market land ought to be higher'.

409. THE CHAIR: Yes. Well it would be very unfair on Mr Deane if he was giving up this right to challenge individual elements because he moved to box 12.

410. MS LEAN (DfT): I don't understand that to be the situation. I think there is provision in respect of the calf-rearing compensation figure. I think there is provision in respect of that being maybe an agreed figure but I'm sure I will be told if I have misunderstood. That is certainly my understanding of the agreement from the discussions I've had with those behind me. Yes, I'm told that, yes, I am right in my understanding of what I've been told previously.

411. So my Lord, that is essentially what the promoter has offered and why it has offered it. In respect of some petitioners it has been possible to get closer to a full and final settlement on some aspects of compensatory claims such as open market value and that's been reflected in heads of terms. Obviously, this petition hasn't yet reached that

stage. But what this agreement, if signed and agreed to, will do, I say, is to enable monies to be released that can be used to make amendments or re-provide facilities for the holding in advance of HS2 coming into view whilst leaving over if needs be any dispute as to other aspects of the compensation claim or the final open market value or later for further discussion if it's not possible to agree it for reference to the Upper Tribunal.

412. My Lord, I should just say in that respect, in part linked to the point about valuation date, there was reference made to *Horn v Sunderland Corporation*. I referred a little earlier to the fact that because the disturbance costs – the calf-rearing compensation is under that head of claim – because the disturbance costs and the entitlement to disturbance costs is triggered by acquisition of the land, because it is linked to the costs you incur or the losses you incur from being disturbed from your occupation of the land, it has to be taken together with the same valuation date as the open market value of the land. But importantly it also has to be taken on the same basis that you assess the open market value of the land.

413. That is, if the open market value of the land is assessed as an agricultural unit, then your disturbance costs are assessed in terms of the disturbance or the losses you incur as a result of your agricultural unit being interrupted or affected. But if you seek your open market land value on a different use, so a value based as a housing development site, then you cannot get your disturbance costs based on your existing agricultural use value. And that is the principle in *Horn v Sunderland Corporation*, that your disturbance costs have to be based on the same use or the same basis on which you've valued your open-market-value value. In *Horn v Sunderland Corporation* that was the issue there about where the value of the land was based on it as a building site for development, could there also be losses associated with the agricultural unit there? And the court said, 'Well, no, because if you were selling this on the open market, you would have to sell the site on that basis to the purchaser with vacant possession and you would have to stop and move off or relocate that yourself'. So that's broadly the principle in it.

414. I can see Mr Bedson shaking his head. I don't suggest for a moment that open market value can't include some element of 'hope value' development but there does come a point where you go from, 'This should be valued as an existing agricultural unit

with some hope value. A purchaser on the open market would pay a bit more because there might be a prospect of development here' and assessing it at such a value that you're not actually assessing it on an agricultural basis at all. You're assessing it as if it was going to be a housing development site.

415. So my Lord, that is an issue that is of concern to the project and a point of principle they can try to maintain during these negotiations and Mr Smith is available as a witness if it would help to explore that in more detail but that is also one of the issues, with the suggestion that there should be a payment for disturbance linked to the need to re-provide calf-rearing units based in 2020 but open market value should be assessed as at 2022 or 2023 when the prospect of development might be closer and the value more closely reflect the land as a development site as opposed to an agricultural parcel of land with hope value for development. But I do stress, the project isn't suggesting there can't be any hope value reflected in the open market land value of an agricultural unit. But the debate is really about I think the extent and the price that you attribute to that.

416. My Lord, I think the only other point to cover was full and final settlement. As I've mentioned with some other petitioners it has been possible for agreements to be taken to a further stage, where there has been an agreement on some more full and final figures of heads of compensation claim. We're not there with this petitioner yet. And whilst we obviously do acknowledge the views that the petitioner's expressed today that he would rather see this get to a full and final situation so there aren't things still to be still discussed and there aren't things to be left over, there is a bit of a trade-off here.

417. Obviously it would be desirable to get to that stage and if we can, the project is keen to try and work towards that. But there does come a point where given the purpose of this agreement and this mechanism is make sure that there is money available to the petitioner in order that they can do what they need to do in respect of their landholding. It would be perhaps unfortunate if the desire to get to full and final stage ended up working against the money being able to release for the purpose that it's meant to be released to enable things to be done early, to assist with the impact on the petitioners' landholding. If I can just briefly turn around to check that there's not been any instructions come from those instructing me?

418. THE CHAIR: Yes.

419. MS LEAN (DfT): My Lord, I should also note I have obviously listened very carefully to what Mr Deane has said about revised heads of terms and suchlike being received on the Friday and issues about the maps. Just for clarity, I am instructed that Mr Bedson, as I understood it, had intimated that he and his client were keen to carry on discussions and negotiations with HS2 even though we'd exchanged exhibits, with a view to seeing if we can make any further progress beyond where we'd got to by Wednesday last week. I believe some heads of terms sent up on Friday grew out of some matters that had been discussed earlier in the week. So this isn't HS2 seeking to send something to the petitioner at the last minute. It was a genuine attempt to take on board matters that had been raised with HS2 during the course of last week with a view to trying to move this agreement forward.

420. I understand the issue with the map is similar. It's to do with some discussions that were around boundaries. I obviously do take on board what has been said around timings and suchlike but I wanted to stress that certainly in terms of this last week, where perhaps some criticisms have been made, that has been born out of a product of, 'Keep negotiating; try and resolve this' rather than everybody downing tools where we were last Wednesday with a view of at least trying to narrow the points in dispute between the parties, even if we couldn't reach full agreement. My Lord, unless I can assist further, that was all I wished to say by way of response, unless you would find it helpful to hear from perhaps Mr Smith, who is the project's witness on these compensation matters.

421. THE CHAIR: Would any members of the Committee have any questions? Lord Horam?

422. LORD HORAM: I'm not quite clear from the map, what is the parcel of land which HS2 is proposing to acquire?

423. LORD BRABAZON OF TARA: Which one?

424. LORD HORAM: This is A14(7).

425. LORD BRABAZON OF TARA: A14(7).

426. MS LEAN (DfT): My Lord, my understanding from discussions with those who I

know have been negotiating these heads of terms is that the agreement would encompass all the land that HS2 required for the railway and that it would include within that the land that shown marked for ecological mitigation by that Stone to Norton Bridge railway aspect. So it's essentially an early acquisition of all the land that HS2 requires for the scheme. I don't know if that assists.

427. LORD HORAM: How much of that – what proportion of the petitioners' that is?

428. MS LEAN (DfT): My Lord, I understand from the petitioner response document that we require – sorry my Lord, can I just check a reference about how many acres of land is here? I know things have changed slightly because there's part of the land that's been taken out of Bill limits within the holding.

429. LORD HORAM: The reason I ask is obviously in this case there's a lot of hope value and potential developer value at some point, so I don't know how much of the land is being acquired which may reflect some of that hope value.

430. MS LEAN (DfT): My Lord, if it assists, I understand there is an indicative plan at A14(29).

431. LORD HORAM: A14(29)?

432. MS LEAN (DfT): A14(29). This was a plan that was attached to the heads of terms version 2.4 which shows the land that's proposed to be acquired.

433. LORD HORAM: Oh I see, yes.

434. MS LEAN (DfT): I understand this is – I believe this is 135 hectares in the holding –

435. LORD HORAM: The land in red?

436. MS LEAN (DfT): No, the land in red is 135 hectares. The entire holding in this location is 135 hectares. I'm trying to establish what the hectare figure is for the land that will be acquired.

437. LORD HORAM: That is a fixed amount which is unlikely to change. That is what HS2 requires and that is it and there's no more. That is the final request, as it

were.

438. MS LEAN (DfT): My Lord, that reflects the land shown to be required or within Bill limits that you had on P35(2). So on P35(2) the –

439. MR BEDSON: Would it help, my Lord, if I answered the question on the acreage? I'm sorry, Jacqueline. Forgive me. You can tell me to be quiet if I'm being too –

440. THE CHAIR: No, you're trying to help us to understand the plan, Mr Bedson.

441. MR BEDSON: Exactly, my Lord, yes.

442. THE CHAIR: I think it might help if he put his point, yes please.

443. MR BEDSON: Thank you. The whole site is 165 acres. The land to be acquired by HS2 is about 75 acres.

444. LORD HORAM: 75 acres?

445. MR BEDSON: Yes.

446. LORD HORAM: Out of 165?

447. MR BEDSON: Yes, out of 165 acres, yes. The A14(29) plan coloured red is actually an old plan. It doesn't show the realigned Eccleshall Road on it. It was out of date, just to address that. Thank you.

448. THE CHAIR: Does the red shown on that plan – that's A14(29) – include or cover the calf-rearing buildings?

449. LORD HORAM: Some of them.

450. THE CHAIR: Some of them, yes, but not all. Right. Any other questions by anybody? Well thank you very much, Ms Lean. I think it's back to you, Mr Bedson, if you have any other points you would like to make.

451. MR BEDSON: I can sum-up, my Lord and thank you very much. On the disturbance point that Jacqui raised, she was absolutely right in a compulsory purchase

situation but in this situation here in a no scheme world, without HS2, you wouldn't be selling the industrial area and the calf-rearing units to a housing developer. They would always stay out of it. The remainder land would hopefully go to residential development and there would be an appropriate buffer around that, as exists everywhere. I can walk out of my office here and residential sits next to industrial sits next to an office sits next to a hotel sits next to more residential. It would be exactly the same here. So it's slightly out of context, that is.

452. The calf-rearing units would always stay here. They're only moving because of HS2. The reason we've asked for the calf unit money to be released at once rather than in tranches is simply due to timing and running out of time to get this rebuilt by the time HS2 appears in 2022. We're only trying to mitigate losses. We're trying to mitigate a claim for the closure of the business by relocating. HS2 have agreed the sum that they offer, so really we want that as a lump if at all possible to give us flexibility as to how to deal with this to mitigate our losses. If the land has to be acquired now as part of that deal, then so be it, but I do hope, my Lords, that you can accept our concern here that we're selling something early for potentially a lower value than we would ordinarily get and that doesn't put the landowner back where they were in a no-scheme world and that's not terribly fair, really. Thank you.

453. THE CHAIR: Well thank you very much indeed. I think at that point it's time for us to conclude these proceedings. I think all I need do is say this Committee will adjourn until tomorrow morning at 10.30 a.m., when we will hear another petitioner and perhaps see you again, Ms Lean, for that one.

454. MS LEAN (DfT): Mr Strachan will be representing tomorrow but I will be in the background.

455. THE CHAIR: In the background. We might see you a bit more next week. Good, Committee is adjourned.