Select Committee Ask

House boat owners

James Duddridge MP stated during the appearance of HS2 Residents’ Commissioner, Deborah Fazan, that the Committee had wanted to look in more detail at house boat owners. This issue was also raised during correspondence between the Chair and the Secretary of State for Transport, during which the Secretary of State agreed to share the response from MHCLG with the Committee when received.

The Promoter wishes to provide an update to the Committee on work it is taking forward in respect of compensation arrangements for houseboat residents.

The Committee has identified that the entitlements of houseboat residents that are affected by public works like High Speed Two (HS2) differ in law to some other types of residents of movable homes.

The Government is committed to ensuring that all residents affected by HS2 are properly supported and treated fairly. To this end, the Government is committed to reviewing current arrangements and carrying out the necessary consultation to explore:

1. whether there is a case to extend home loss payment entitlement to houseboat residents that are subject to compulsory purchase activity;

2. whether there is a case to introduce regulations to compensate houseboat residents that are impacted by significant noise disturbance from rail works; and

3. the potential use of non-statutory compensation measures in advance of legislation being made should the case for change be established.

The Department will keep the Committee updated on the progress with these reviews.

We aim to provide the Chair of the Select Committee with a note on progress later this year and prior to business being completed by the Lords Select Committee stage of this Bill.

1. The case to extend home loss payment entitlement to houseboat residents who are subject to compulsory purchase activity

Home loss payments mitigate for the emotional loss of a home as a consequence of compulsory purchase activity.
The law currently provides for home loss payments to be made to eligible residents of homes and small businesses, plus residents of mobile homes where no suitable alternative site is available on which to station the home.

Although no houseboats are expected to be subject to compulsory purchase as a result of the Phase 2a route proposals, the Committee has rightly identified that there is no current right in law for a houseboat resident to receive a statutory home loss payment if they are subject to compulsory purchase action.

In response to the Committee's concerns and the Promoter's request, we can confirm that the Ministry for Housing, Communities and Local Government (MHCLG), which is responsible for the wider land compensation regime, will consider the case for bringing houseboats into line with other types of movable homes which are already in scope of the home loss payment entitlement.

Attached is a letter from MHCLG to the Promoter confirming its intention to review the current legislative arrangements.

We will support MHCLG in its consideration of the case for further reforms to the compulsory purchase regime, in line with the Government's manifesto commitment will also consider the case for further reforms to the compulsory purchase regime, in line with our manifesto commitments, and as confirmed in a Written Ministerial Statement made earlier this year.¹ The scope of an Accelerated Green Paper is expected to be determined later this year.

Should MHCLG conclude that the entitlement to a home loss payment should be extended in the same way to houseboats as is the case for residents of movable homes, then a change to primary legislation would be needed, and a suitable legislative vehicle identified.

2. **Arrangements to compensate residents of houseboats and other types of mobile structures affected by noise where some, or no, land is taken.**

The Government also intends to review current arrangements in respect of compensation paid to residents of houseboats and other movable dwellings which are affected by noise from public works where only some, or no, land is taken.

In her evidence to the Committee on 25 March 2019, the HS2 Residents' Commissioner referred to regulations which apply in respect to buildings affected by noise impacts from public works.

Section 20A of the Land and Compensation Act 1973 (the 1973 Act) enables regulations to be made to provide for discretionary payments to persons living in caravans and other dwellings, like houseboats, which are not ‘buildings’, and that do not otherwise qualify for noise insulation under regulation 6 of the Highways Noise Payments and Movable Homes (England) Regulations 2000.

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¹ [https://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Lords/2019-03-03/HLWS1374/](https://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Lords/2019-03-03/HLWS1374/)
The Promoter will explore whether it would be appropriate to use the 1973 Act's powers to make regulations to enable discretionary payments to be made to residents of movable homes and houseboats affected by railway works, including by the construction of HS2.

The Government will carry out a public consultation on whether to extend arrangements to residents of houseboats and other types of movable homes before deciding on any necessary legislative change.

3. Use of non-statutory measures in respect of HS2

The Government's preference regarding these matters is not to act in isolation in respects of HS2, but to ensure that all residents that are impacted by public works in the future stand to benefit from any change which results from these commitments.

It is right that key stakeholders are given the opportunity to help shape the future compulsory purchase regime, and any other provisions that may apply to those impacted by infrastructure projects such as HS2.

Nevertheless, a review of existing arrangements and consultation will necessarily take some time to conclude. In parallel, the Promoter will explore the possibility of making provision through non-statutory measures in respects of residents affected by HS2, subject to cross-Government agreement to that approach and necessary consultation.

HS2 Information Note

The Committee may also wish to note the useful information paper *C15: Guide to Compensation for Short term Residential Tenants*, published by HS2 Ltd earlier this year, which sets out the compensation arrangements as they apply to residential tenants.

Through these arrangements, the statutory compensation regime endeavours to provide financial equivalence to those who are subject to compulsory purchase. This means providing compensation which is no more and no less than the value of the person's interest in the property that is acquired.

A copy of this information paper has been appended to this note.
Dear Thomas

**Compulsory Purchase Compensation: Home Loss Payment Entitlements**

Thank you for bringing to our attention concerns raised by the High Speed Rail (West Midlands – Crewe) Bill Select Committee about houseboat residents’ entitlement to compensation under compulsory purchase legislation, and your Department’s request that MHCLG consider reviewing their eligibility for statutory home loss payments.

Provision is made for home loss payments to be paid to eligible persons who are displaced from a dwelling in the circumstances specified in section 29 of the Land Compensation Act 1973 (“the 1973 Act”). For these purposes, the 1973 Act defines a dwelling as “a building or part of a building occupied or (if not occupied) last occupied or intended to be occupied as a private dwelling”. This definition is not considered to include moveable homes such as caravans or houseboats. However, section 33 of the 1973 Act expressly extends home loss payment entitlement to caravan residents, where no suitable alternative site is available to them on reasonable terms. Equivalent provision is not made in relation to houseboats.

MHCLG is willing to consider the case for bringing houseboats into line with caravans in respect of home loss payment entitlement. Any such change will require primary legislation and therefore could only be considered when a suitable parliamentary opportunity arises. Consultation will also need to be carried out to understand the wider impacts of extending home loss payment entitlement, including potential financial implications.

Yours sincerely,

Lucy Hargreaves  
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Planning: Development Management