



Department
for Transport

High Speed & Major Rail Projects Group (Land and Property)

Expressions of Interest: Shimmer Relocation Assistance Scheme (SRAS)

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Background

High Speed Two (HS2) is a new high speed railway, to be developed in phases. The Phase 2b route of HS2 will link from Crewe to Manchester, and from the West Midlands to Leeds.

The HS2 Phase 2b route announcement made in November 2016 brought into the line of route a residential development of over 220 new-build homes near Mexborough, South Yorkshire, known as the Shimmer estate. The Government issued Safeguarding Directions for the whole route - to protect it from conflicting development and triggering statutory blight, including the whole of the Shimmer estate. The final route in this area was confirmed by the Government in July 2017.

Around 140 homes on the estate are owner-occupied. since all Shimmer properties are within the area covered by the Safeguarding Directions, these owner occupiers are eligible to apply to the Government to buy their home and receive statutory compensation.

The Secretary of State for Transport is responsible for all statutory and non-statutory property compensation schemes for HS2 and owns on behalf of the Government all properties acquired in relation to the project. HS2 Limited administers these schemes.

HS2 construction on the Shimmer estate is not anticipated to start until around 2023 at the earliest, since Phase 2b of the scheme remains subject to Parliament passing a hybrid Bill. However, over 80 owners on the estate have so far applied to the Government to buy their property.

A study carried out on behalf of the Government which was published in 2017 concluded that some owner-occupiers on the Shimmer estate may find it difficult to afford to move to a comparable local property with the statutory compensation they would receive upon selling their home to the Government. In light of the study's findings, the Government made a commitment to provide additional support to owner-occupiers moving from the estate in order to enable them to secure a comparable local property. The Shimmer Relocation Assistance Scheme (SRAS) has been developed to meet that commitment.

Deliverables and requirements

By means of this Expression of Interest (Eol) notice, the Department for Transport (DfT) wishes to alert the market of its intention to invite proposals for a two-year contract to administer the Shimmer Relocation Assistance Scheme (SRAS).

The SRAS will provide a capped loan to homeowners who cannot purchase a replacement local property independently. No interest will be charged on the amount of the loan over its duration, although applicants will be able to make repayments within scheme rules. The loan will be repayable as a proportion of the property's value when the replacement property next changes ownership, enforceable via a legal charge placed on the property.

We estimate that around 131 owner occupiers may choose to utilise the SRAS.

The loan will complement existing statutory compensation payments, and cover any shortfall between an applicant's compensation payment and the cost of a replacement local equivalent property. Caps will apply to the loan amount and to the equity share in the replacement property, which will be confirmed at the contract award stage.

The expected scope of the requirement, in summary, is expected to comprise:

- Providing advice and guidance (including leaflets) on the application procedure and generate application forms in hard copy and online;
- Carrying out an in-depth financial assessment of applicants;
- Determining the level of financial assistance that should be provided within the scheme's criteria;
- Applying any scheme caps, such as those relating to maximum loan amount;
- Ensuring legal documentation reflects the Secretary of State for Transport's equity share;
- Administering the loan and any repayments made by the recipient;
- Providing monthly management information and detailed quarterly reports;
- Providing full and up to date statistics relating to the scheme;
- Working effectively with DfT, HS2 Ltd, and third party organisations to administer the scheme;
- Keeping all records required to provide RAS recipients with an annual statement of accounts, and to answer all enquiries;
- Providing customer-facing services throughout the life of the contract.

The winning party will be expected to have a proven record of administering a shared equity product, preferably to non-commercial customers, and will be able to demonstrate that it can provide highly effective customer service. It is important that Shimmer homeowners are at the heart of the SRAS; that it should be responsive to their needs; and that homeowners are treated with openness, promptness, courtesy, fairness and respect.

The Department currently aims to award the contract before the end of the summer of 2018. The initial contract will run for two years, which we consider sufficient to set up the SRAS for all qualifying owner occupiers. Therefore, the Department intends to tender this contract to the open market via Contracts Finder in the first half of June 2018, subject to internal governance.

Please email the point of contact provided on the Contracts Finder notice to register your interest and confirm your capability to carry out the work as described in this document.