# HS2

## High Speed Rail (London – West Midlands)

Overview – Prolonged Disruption Compensation Scheme Review



High Speed Two (HS2) Limited has been tasked by the Department for Transport (DfT) with managing the delivery of a new national high speed rail network. It is a non-departmental public body wholly owned by the DfT.

High Speed Two (HS2) Limited Two Snowhill Snow Hill Queensway Birmingham B4 6GA

Telephone: 08081 434 434

General email enquiries: HS2enquiries@hs2.org.uk

Website: www.hs2.org.uk

A report prepared for High Speed Two (HS2) Limited:

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### 1 Introduction

- 1.1.1 HS2 is Britain's new high-speed railway connecting London and Birmingham. We are very aware of the issues that building a new railway can cause to people who live nearby. We will design and build the railway in ways that reduce noise as much as we reasonably can.
- 1.1.2 HS2 Ltd has explained in information paper E23 how we tackle construction noise and that if we are not able to reduce this to specific levels, residents are eligible to have new noise insulation installed. If noise is predicted to be higher, they can ask to be temporarily rehoused.
- 1.1.3 In addition, in August 2019, we announced an alternative scheme, where if a resident would be eligible to be temporarily rehoused, they can instead request cash compensation to stay in their home. This is known as the prolonged disruption compensation scheme (PDCS). As the PDCS approach is novel, HS2 Ltd committed to review and assess the effectiveness of the alternative scheme. This document sets out a summary of the review and key findings and recommendations from it.
- 1.1.4 If you have any questions, please contact the HS2 Helpdesk on 08081 434 434 who can provide more information.

# 2 The prolonged disruption compensation scheme overview

#### 2.1 Introduction

- 2.1.1 The PDCS complements a wider package of environmental controls and is intended to provide greater choice for people affected by severe and prolonged disruption from construction works. It adds to the noise insulation and temporary rehousing measures set out in Information Paper E23: Control of Construction Noise and Vibration. It modifies and enhances these measures to include a compensation package that will:
  - give people greater choice to remain in their noise insulated homes and be supported with cash compensation; and

- in special circumstances, give owner occupiers of residential dwellings the option of requiring the Secretary of State to purchase their property.
- 2.1.2 The eligibility criteria for PDCS are in line with the thresholds for temporary rehousing, including the level and duration of noise from works.
- 2.1.3 The compensation provided by PDCS includes a cash payment alongside the provision of noise insulation at the property, allowing residents to make the choice to avoid disruption from being temporarily rehoused and stay within their homes. PDCS therefore gives residents choices on how they deal with the impacts of disturbance from the construction of HS2.
- 2.1.4 In circumstances where the temporary rehousing thresholds set out in Information Paper E23 are exceeded over a prolonged period of three consecutive months or more in any 12-month period of construction, owner-occupiers of the dwelling will have the option of requiring the Secretary of State to buy the property for its full unblighted value.

#### 2.2 Review summary

- 2.2.1 The review has explored how PDCS operates in providing compensation for prolonged and severe disturbance. The review has investigated whether the scheme is working as intended, by considering the following questions in the context of the construction of Phase One of HS2:
  - Has PDCS altered the working practices, attitudes and behaviours of contractors?
  - How many qualifiers have there been for the scheme to date?
  - How many properties are likely to qualify in the future?
  - Is noise an effective proxy for disruption, or should the scheme consider other types of disruption (e.g. air quality, traffic, lighting, vibration etc)?
  - Are the thresholds (both time-based and noise-based) still appropriate?
  - Are people obtaining compensation for similar reasons through other schemes?
  - Is the package of measures offered by PDCS appropriate?

#### 2.3 Review findings

2.3.1 The review has considered a range of available data sources. The following sections provide a summary of the findings and conclusions of the PDCS review.

## Has PDCS altered the working practices, attitudes, and behaviours of contractors?

- 2.3.2 The review found that PDCS has not altered working practices, attitudes or behaviours of contractors. Prior to the launch of PDCS, HS2 Ltd developed a suite of commitments and controls to manage the impacts of construction, which built upon best practice from other large infrastructure schemes.
- 2.3.3 The data reviewed highlights that contractors are applying these controls to their construction works, reducing noise impacts compared with levels predicted in the HS2 environmental statement (ES).

#### How many qualifiers have there been for the scheme to date?

2.3.4 The hierarchy of controls in place and methods of working mean that eligibility for the scheme has been limited. At the time of writing, two properties have been identified as qualifying for the scheme. Noise levels from construction activities have on occasion exceeded the temporary rehousing (TRH) thresholds set out in Information Paper E23 in a number of areas, but not for sufficient durations to trigger TRH or eligibility for PDCS. This shows that severe levels of noise, when they do arise, occur for relatively short periods of time.

#### How many properties are likely to qualify in the future?

2.3.5 The scheme has only been triggered twice and this would suggest that PDCS is unlikely to be triggered in significant numbers. However, the review recognises that the construction of HS2 is planned to continue over an extended period of time, so further eligibility could be triggered in the future.

## Is noise an effective proxy for disruption, or should the scheme consider other types of disruption (e.g. air quality, traffic, lighting, vibration etc)?

- 2.3.6 Complaint data has been reviewed as this is considered to provide a useful indicator of disturbance, with a greater number of complaints indicating higher levels of disturbance.
- 2.3.7 Across all years considered, noise has consistently remained in the top three categories of complaints received by HS2. The range of complaints received identifies that other proxies could represent disruption. However, these reflect short term issues or issues away from people's homes. Of all the topics which are complained about, noise is the most readily quantifiable against construction activities. Additionally, there are links between noise impacts and health effects. Taking these factors into account, the review found that noise is the most

- appropriate proxy when considering prolonged and severe disturbance from construction.
- 2.3.8 It is recognised that using one proxy for overall disturbance does not necessarily deal with the cumulative effects of multiple types of disturbance affecting some people close to works. When considered together, there may be some wider fatigue caused by HS2 when the different subjective elements of disturbance are combined.

#### Are the thresholds (both time-based and noise-based) still appropriate?

#### Compensation threshold

- 2.3.9 The eligibility thresholds for the compensation element of PDCS are considered appropriate as they are in line with levels that would result in a severe impact upon people. Lowering both the PDCS and temporary rehousing noise level thresholds would be at variance with the advice on effects and thresholds in BS5228-1. These levels were examined in detail during the Select Committee process and the levels were considered appropriate for HS2 and in line with the thresholds on other similar UK infrastructure projects.
- 2.3.10 If the PDCS thresholds were lowered independently of the temporary rehousing thresholds, PDCS would no longer provide an option for people to consider in place of temporary rehousing and the disruption caused by this.
- 2.3.11 Lowering the threshold to equal the noise insulation level would lead to an increase in eligibility and overall costs of the scheme. However, at this level the remedy (i.e. the installation of secondary glazing and ventilation) and the costs of this would not take into account the noise-reducing effects of noise insulation. The temporary rehousing thresholds better reflect the impact on those properties and residents who might be severely affected over prolonged periods.

#### Special circumstances threshold

- 2.3.12 The PDCS policy sets out that in circumstances where the noise level at dwellings exceeds the temporary rehousing thresholds for a period of three consecutive months in any 12-month period of construction, then owner-occupiers of dwellings will have the option of requiring the Secretary of State to buy the property for its full unblighted value. This would be on the same terms as properties purchased under the voluntary purchase and need to sell schemes.
- 2.3.13 As noted above, the hierarchy of controls in place and methods of working mean that the duration element of the temporary rehousing threshold has not yet been met. Given this context, it is considered highly unlikely that there would be a

- situation where noise levels are above the temporary rehousing threshold continuously for three months or more.
- 2.3.14 Noise levels from construction activities have on occasion exceeded the TRH thresholds set out in Information Paper E23. The review concludes that PDCS eligibly, if it occurred, would likely only occur for short periods. However, the review suggests that the policy could be reviewed to allow the purchase option to be met when a number of individual periods above the temporary rehousing threshold occur over a period of at least three months.

## Are people obtaining compensation for similar reasons through other schemes?

- 2.3.15 There are a number of HS2 discretionary property schemes (such as the homeowner payment scheme and the rural support zone schemes) where eligible owner-occupiers in rural areas can receive payments. However, the reasons for submitting applications and their perceptions of disturbance following receipt of any monies are not known.
- 2.3.16 Payments through these discretionary schemes are not compensation for any disruption caused by the construction or operation of the railway. Applications through these routes appear to be more straightforward and give a higher value payment than through PDCS. Rental tenants in all areas and owner-occupiers in urban areas are not eligible for these schemes. Eligible owner-occupiers in urban areas can consider applying for the need to sell scheme; although many would prefer to remain within their community rather than sell and move away. There may be perceptions of inequality around who is eligible for these different schemes.
- 2.3.17 In addition to the discretionary property schemes, people receive mitigation and/or additional support through either the special cases or special circumstance/atypical property processes. These processes are open to all and typically offer a physical or other tailored mitigation to people who can demonstrate they are adversely affected by the impacts of construction due to their specific circumstances. While the PDCS policy includes an 'exceptional circumstances' process, it is limited to instances where noise insulation cannot be fitted rather than considering a broader range of circumstances. This could be a limitation of the existing policy.

#### Is the package of measures offered by PDCS considered appropriate?

2.3.18 The compensation payment alongside the provision of noise insulation at the property provided by PDCS is considered appropriate. The policy provides an alternative option for people affected by the highest noise levels. Should an

alternative proxy be considered for the scheme, it would be necessary to determine the most appropriate package of measures for the revised policy. If the proxy were to change, the policy would need to identify quantifiable impacts for any new proxies and determine points above which compensation could be claimed.

- 2.3.19 The option for the government to purchase the property may also need to be examined in the context of new proxies. In the context of noise, the special and exceptional circumstances processes recognise situations requiring further consideration. The special circumstances process is considered appropriate; however, the duration element could be reviewed to allow the purchase option with a number of individual periods of noise exposure, rather than a single period.
- 2.3.20 The exceptional circumstances process is limited to situations where noise insulation cannot be fitted, rather than considering a broader range of circumstances. This could be a limitation of the policy and a more flexible/broader approach could consider other offers of mitigation or other reasonable adjustments for those experiencing prolonged disruption from construction.

#### 2.4 Conclusion

- 2.4.1 This review highlights four areas for further consideration:
  - It is considered that the PDCS policy appropriately fulfils the obligation to provide
    a remedy for severe and prolonged disruption. However, the wording in the
    policy does not place much emphasis on the severity of disturbance. The reader
    is assumed to know that temporary rehousing only occurs at severe noise levels.
    The wording of the scheme description could be adjusted to place more
    emphasis on the severe nature of disturbance.
  - The property purchase element of the PDCS could be varied to be shorter than three months or allow for non-continuous periods of disruption. Periods with the very highest noise levels are not generally expected to occur for particularly long, or over consecutive months.
  - The use of noise as a proxy for disturbance is appropriate, with the package offered also considered appropriate. However, using a single proxy potentially misses cumulative effects of disturbance, particularly where an individual is not affected by noise.
  - The 'exceptional circumstances' policy element applies where noise insulation cannot be fitted. The policy could consider a more flexible/broader approach in these circumstances, potentially offering mitigation or other reasonable adjustments to limit prolonged disruption.

#### 2.5 What are we doing in response to the review

- 2.5.1 The review has concluded that the PDCS policy adds to the wider package of environmental controls to provide a fair and proportionate remedy for the effects of severe and prolonged noise and disturbance resulting from the construction of HS2.
- 2.5.2 Notwithstanding this, the review has highlighted four areas for further consideration: the wording of the scheme in respect of severity of disturbance; the property purchase durations; consideration of a more flexible/broader proxy for disturbance; and the scope of the 'exceptional circumstances' element with the PDCS.
- 2.5.3 HS2 in consultation with the DfT have considered these recommendations and have made a number of changes to the current scheme. The outcome of the review and HS2 response and actions are detailed in Table 1 below.

Table 1- Review outcome and HS2 response and actions

Re	view outcome	HS2 Response and Actions
1.	Policy wording: The PDCS policy wording does not place much emphasis on the severity of disturbance. The reader is assumed to know that temporary rehousing only occurs at severe noise levels. The wording of the scheme description could be adjusted to place more emphasis on the severe nature of disturbance.	The policy wording will be amended to place more emphasis on the severe nature of disturbance.
2.	Duration of impact: Consideration should be given to amend the 'special circumstances' element within the scheme to allow the property purchase option to occur when a number of individual periods above the temporary rehousing threshold occur over a period of at least three months as opposed to three consecutive months.	HS2 Ltd's approach to reducing the disturbance for residents impacted by construction works is set out in the HS2 Code of Construction Practice (CoCP). This document forms a component of the HS2 Environmental Minimum Requirements (EMRs) and sets out control measures and standards of work which shall be applied by contractors throughout the construction period.  Implementation of these controls and the methods of working have meant that eligibility for the PDCS scheme has not occurred in many areas. Noise levels from construction activities have on occasion exceeded the TRH thresholds set out in Information Paper E23, but in the majority of instances has not been of sufficient duration to trigger temporary rehousing or eligibility for PDCS. This shows that severe levels of noise, when they do arise, only occur for relatively short periods of time e.g. a number of days. Based upon current noise assessments, if the

Re	view outcome	HS2 Response and Actions
		scheme was amended, eligibility for property purchase is still unlikely to be triggered.
		HS2 also has a number of alternative discretionary HS2 property schemes (need to sell, special circumstances and atypical properties) which can provide further assistance to residents including buying a property, making a payment, or providing other forms of support.
		Given the above, the recommendation to alter the 'special circumstances' element of the policy has not been implemented.
3.	Consider cumulative impacts: The existing scheme uses a single proxy (noise) to represent the wider construction related disruption. Using a single proxy however cotentially misses cumulative	The review has concluded that using noise as a proxy for disturbance is appropriate as it is readily quantifiable against the construction activities occurring. However, it is acknowledged that by only using a single proxy potentially disadvantages those who experience multiple types of disturbance and therefore does not deal with the cumulative impacts effectively.
	effects of disturbance, particularly where an individual is not affected by noise.	This limitation is at odds with other HS2 policies and schemes (noise insulation and temporary rehousing policy, HS2 property schemes, and the small claims scheme) which include provisions for aiding residents despite them not meeting the strict eligibility requirements.
4	Review of the 'exceptional circumstances' element within the policy: 'exceptional circumstances' applies where noise insulation cannot be fitted. The policy could consider a more flexible/broader approach in these circumstances, potentially offering mitigation or other reasonable adjustments to limit prolonged disruption.	It is considered that the qualifying criteria and thresholds defined within the scheme, as well as the provision of cash compensation as an alternative to temporary rehousing, should remain unaltered. The clauses of the 'exceptional circumstances' element will be expanded to enable reasonable adjustments e.g. physical mitigation measures, up to £2,500 be provided to individuals who fall outside of the existing support offered. These reasonable adjustments will be provided by HS2 contractors on a case-by-case basis, having regard to their specific circumstances to reduce the prolonged impacts from construction in a meaningful way.