

Fee Scale

Payment of professional fees in land compensation claims and the securing of land rights.



SP Energy Networks (the Company) is a trading name of:

SP Distribution plc, (SPD), Registered in Scotland No. 189125
Registered Office: 320 St. Vincent Street, Glasgow G2 5AD,

SP Transmission plc, (SPT), Registered in Scotland No. 189126
Registered Office: 320 St. Vincent Street, Glasgow G2 5AD, and

SP Manweb plc, (SPM), Registered in England and Wales No. 2366937
Registered Office: 3 Prenton Way, Prenton, CH43 3ET

Information on the SP Energy Networks Data Privacy Policy can be
found by using the following web address:

<https://www.spenergynetworks.co.uk/pages/privacy.aspx>

Introduction

SP Energy Networks (SPEN) manages an extensive network of overhead and underground electricity cables and substations. Due to ever increasing demands being placed upon our network, primarily driven via UK and devolved governments targets in achieving the transition to Net Zero, the Company requires to undertake significant investment on a vast scale across the electricity network, both in terms of refurbishment and construction of new assets to meet future peak electricity demand.

We recognise that, in some instances, our work can have an impact on land, and may require us to pay compensation and/or secure additional land and/or rights. This document sets out our approach to the basis for reimbursement due to a Landowner/Occupier, where they have instructed the services of a professional Surveyor/Agent.

Effective date

This fee scale is effective from 1st August 2024 and will be applied to all project negotiations starting after this date. The document will be reviewed every 3 years or earlier as required by SPEN. SPEN reserves the right to amend, alter or change the basis of this approach at any time.

Definition of works

This document makes regular reference relating to “Works” undertaken by SPEN. The use of this term includes access by SPEN or its agents for surveying, construction, excavation or movement of equipment and materials in erecting, installing, constructing, or laying electric lines, cables, pipes, drains, manholes, plant, equipment and ancillary apparatus, together with their subsequent use, maintenance, repair, renewal, inspection and removal.

Purpose of the payment of professional fees in land compensation claims and the securing of land rights

Principle of Fee Scale

This document sets out the basis by which SPEN will assess the appropriate reimbursement to a Landowner/Occupier in all instances where they have sought representation by a professional Surveyor/Agent to act on their behalf, linked to “Works” by SPEN in, on, over or under land, as a result of:

- Settling a claim for compensation.
- Agreeing new or additional voluntary land rights.
- Voluntary negotiations that take place during contemplation of, or under the shadow of compulsory purchase, or the exercise of statutory powers in connection with the taking of property interests and/or rights.
- Assessment of claims for compensation as a result of the exercise of compulsory purchase or statutory powers which have taken property interests and/or rights.

SPEN must be able to efficiently make agreements with Landowners/Occupiers to install, to keep installed, and to access the infrastructure and equipment they operate (“Works”). In making these agreements, the rights and interests of landowners must be understood and respected and balanced against the needs of the general public for an efficient and cost-effective electricity network.

Working in collaboration

The expectation must be that SPEN and Landowners/Occupiers with existing or proposed electricity infrastructure on their land act reasonably, constructively, collaboratively, and efficiently in the public interest whenever land access and new agreements are necessary. This document ensures that those parties will be fairly and reasonably compensated at all times.



Terms of engagement

Where a Landowner or Occupier decides to use a professional Surveyor/Agent, the surveyor should agree their terms of business, including the basis on which fees will be charged, directly with their client.

The Surveyor/Agent should ensure that the Landowner/Occupier understands that any reimbursement of professional fees by SPEN will be in line with the terms set out within this SPEN fees document, and they must make clear within their terms of business that the ultimate liability to settle the professional Surveyor/Agent fees rests with the Landowner/Occupier as the instructing party.

Confirmation of authorisation

In advance of undertaking work, the Surveyor/Agent should provide in writing to SPEN, confirmation of their authorisation to work on behalf of the landowner/occupier. This should confirm that they are authorised to handle contractual and personal data relating to the landowner/occupier in terms of the General Data Protection Regulation (GDPR).

Proportionate fees

The professional Surveyor/Agent should demonstrate to SPEN that the proposed fee basis is reasonable and proportionate, relative to the complexity of the claim.

It should be borne in mind that, while all compensation cases are complex, some are more complex than others, therefore the professional Surveyor/Agent should ensure that the work is undertaken by a surveyor with experience commensurate to the instruction in hand.



Basis for calculating fees

SPEN promotes two (2) methods of fee structure to be used in the calculation of professional Surveyor/Agent fees. These are:

- The 'Value Scale'; and
- The 'Hourly Scale'

SPEN has determined the basis of these rates through widespread industry benchmarking, as well as recognising guidance produced by professional institutions including the Royal Institution of Chartered Surveyors (RICS), and The Central Association for Agricultural Valuers (CAAV).

SPEN applies these rates in order to represent fair and reasonable fees applicable to utility industry work, ensuring a consistency of approach in the assessment of professional fees.

Prior agreement of fee basis

SPEN recommends in all cases that the professional Surveyor/Agent and SPEN should seek to agree the appropriate method of fee basis at the outset, and in advance of undertaking work.

TABLE 1 – THE VALUE SCALE

Amount of compensation	Fee
£1 – £249	£306
£250 – £499	£489
£500 – £749	£652
£750 – £999	£734
£1,000 – £1,499	£856
£1,500 – £1,999	£878
£2,000 – £2,499	£899
£2,500 – £2,999	£921
£3,000 – £3,499	£942
£3,500 – £3,999	£964
£4,000 – £4,499	£984
£4,500 – £5,000	£1,006
Remainder	2.1%

TABLE 2 – THE HOURLY SCALE

Surveyor/Valuer	£ per hour (up to)
Unqualified/ Graduate/Trainee	£95
Qualified	£145
Associate	£160
Director/Partner	£190

*The above rates will be inclusive of secretarial and other support services and overheads, with no additional charges being made for administrative activities.

Application of the Value Scale

In the majority of cases, it is considered that 'The Value Scale', as set out in Table 1, will be the most acceptable fee mechanism for the majority of lower value, smaller scale utility claims as traditionally evidenced through network projects within Distribution and, in some cases, smaller scale Transmission activities.

Under 'The Value Scale' all claims for an individual landholding shall be aggregated at a project/scheme level, and the fee assessed under the Scale value accordingly.

Application of the Hourly Scale

For more complex activities and larger scale utility projects traditionally associated with Transmission activities, SPEN may agree, through discussions in advance with the professional Surveyor/Agent, to reimburse fees in line with 'The Hourly Scale' as set out in Table 2.

The 'Hourly Scale', as set out in Table 2, will be used for calculating professional fees associated with the negotiation of a standalone (i.e. where there are no other associated works or activity) Deed of Servitude, Easement, Lease or Land Purchase. Payment will be made on completion of the legal process to finalise the land right. In the case where the parties are unable to finalise the agreement, SPEN will assess in each individual case, whether any fee or abortive fees are payable.

Fee caps

In agreement of using 'The Hourly Scale', SPEN reserves the right to promote the use of capped fees for certain activities relating to the 'Works'. In the event of further work being required to that which was initially envisaged, the parties will agree an acceptable further cap, relevant to the remaining work and ensuring that professional costs have been incurred reasonably and properly, with appropriate evidence of the same.

Subsequent losses

Where a Landowner/Occupier reserves the right to subsequent years' claims for compensation for loss or damage, professional fees will be reimbursed in line with 'The Hourly Scale', as set out in Table 2.

Wayleave grant for existing apparatus

In any case whereby the professional Surveyor/Agent is solely involved in the obtaining of a SPEN compliant signed wayleave agreement for any existing apparatus, a fee of £225 shall be payable. This does not apply in the circumstances where a wayleave is granted as part of an agreement to secure a Deed of Servitude or Easement.

Landowner/Occupier time

SPEN will reimburse a Landowner or Occupier for reasonable loss of their time in relation to our works on their land. Such time will be payable at an agreed rate up to a maximum of £45 per hour, except when they have instructed a professional Surveyor/Agent to act on their behalf.

Any proposed charging of landowner time in addition to professional time must be agreed in advance with SPEN.

Criteria for assessing claims and professional fees

All parties will act reasonably to ensure that appropriate measures are taken to mitigate losses associated with utility project activity.

SPEN will reimburse professional fees which they believe to be reasonable and proportionate relative to the complexity of the task. The fee should therefore reflect the complexity of any task and be undertaken by a professional Surveyor/Agent with experience commensurate to the instruction at hand.

The fees will cover work by the professional Surveyor/Agent in relation to obtaining and collating information necessary to formulate a claim and negotiate a voluntary settlement on the completion of the works and, where necessary, covers costs in relation to preparation of a schedule of condition.

The fee includes the facilitating and agreeing of access routes, as well as providing timely permission for the commencement of works. The professional Surveyor/Agent should accurately advise the Landowner/Occupier as to the basis and reasonable amount of compensation to be sought in relation to all losses incurred as a result of works on the existing asset.

Timely submission of claims

SPEN reserves the right to refuse any claim which is submitted more than 12 months after the loss has occurred, excluding those claims as identified within SPEN's Land Code of Conduct relating to land drainage or wind blow.

Claims to be evidenced

All compensation claims for losses must be demonstrated through the provision of documented evidence. SPEN reserves the right to refuse any claim which fails to provide adequate supporting documentation.

The professional Surveyor/Agent representing the Landowner/Occupier will be responsible for providing detailed timesheets of all chargeable events to SPEN for review and assessment in advance of payment.

Reimbursement of travelling expenses

Reasonable travelling expenses incurred by the professional Surveyor/Agent will be payable in addition to the fee rates outlined within Table 1 and Table 2 of this document. Mileage must be calculated from the Surveyor/Agent's normal place of work to the Landowner/Occupiers' location and will be reimbursed in accordance with HMRC nationally published mileage rates.

If a Landowner/Occupier is proposing to use an out of area professional Surveyor/Agent whereby travelling costs (including the time spent) of a Surveyor/Agent will result in travelling long distances to undertake the work, the onus will be upon the Surveyor/Agent to:

- Demonstrate that reimbursement is appropriate.
- Agree the reimbursement of travel expenses with SPEN before they are incurred.

The professional Surveyor/Agent is expected to make every effort to minimise these expenses in compliance with the general duty of claimants to mitigate costs.

Abortive fees

In the event that SPEN abandons a scheme or cancels a project, they will pay reasonable and properly incurred abortive fees on a time charge basis providing they are provided documented evidence for review and assessment.

Aggregation of compensation

If a professional Surveyor/Agent were to act in respect of separate interests in the same property, and those interests were owned by connected parties as part of a business arrangement (e.g., family members, trustees/beneficiaries etc) SPEN shall be entitled to aggregate the compensation for the various interests for the assessment of the professional Surveyors/Agent's fee, if that were equitable in the circumstances pertaining to the case.

Betterment

Where an amount of compensation payable has been reduced by set off for betterment, the total fee chargeable shall be calculated on the amount of compensation otherwise payable before deduction of betterment.

Specialist advice

In certain circumstances where the preparation of a claim requires the input from a specialist professional which falls out with the remit of the retained Surveyor/Agent, SPEN may agree to pay a separate fee for this specialist input. This, however, must be agreed with SPEN in advance, with the fee cost assessed separately on a case-by-case basis.

Invoicing and payment

Please note that, given our contractual relationship lies with the Landowner/ Occupier, all compensation and professional fees will be paid directly to them as the instructing party.

In all cases, invoices for compensation payments and professional fees produced by the Surveyor/Agent, must be addressed and issued directly to the Landowner/ Occupier as the instructing party, with evidence of this made available to SPEN to facilitate settlement of these fees – either directly to the Landowner/ Occupier, or as per any mandated instruction.

Fee mandates

Any Landowner or Occupier who wishes their compensation, including professional fees, to be paid directly to their retained Surveyor/Agent must provide a signed mandate authorising this at the point of instruction and before any works are undertaken.

VAT

The Landowner/ Occupier and their professional Surveyor/Agent are responsible for ensuring any claims are subject to the correct treatment of Value Added Tax (VAT). SPEN will only be responsible for paying VAT in so far as the Landowner/ Occupier cannot recover it, as advised by the Surveyor/Agent.

Payment

Fees will be paid on completion of any works, settlement of a claim, or once SPEN compliant agreements are formalised.

Interim fees

SPEN, at its own discretion, may agree to pay fees on an 'interim' basis in circumstances whereby accruing losses are significant, and SPEN has reached an acceptable key project milestone.



Caveats/Exclusions

Objections/Refusals

Fees will not be payable in the circumstances where work is undertaken by a Landowner/Occupier or professional Surveyor/Agent to object to or refuse SPEN proposals for new or existing infrastructure operations and activities, or where efforts are being made to frustrate the progression of the SPEN's statutory obligations.

Necessary Wayleave/CPO

Fees will not be payable in the circumstances where a Landowner/ Occupier seeks the removal of existing infrastructure resulting in costs associated in undertaking Necessary Wayleave applications or Hearings, Public Inquiries or Compulsory Purchase Order (CPO) procedures.

This fee scale does not apply to attendance in Court, any Necessary Wayleave/CPO hearing, Injurious Affection, Lands Chamber in England and Wales or Lands Tribunal Scotland, or involvement in Arbitration, Mediation or Expert Determination.

General administration

Fees are inclusive of secretarial and other support services and overheads, with no additional charges being made for administrative activities.

Staff development

SPEN will not be responsible for costs associated with staff development, training, associated quality assurance checks, and general office administrative functions.

Site supervision

SPEN will not pay fees or expenses under any circumstances whereby a surveyor chooses to supervise the execution of our works.

Injurious affection

The SP Energy Networks Payment of Professional Fees in Land Compensation Claims & the Securing of Land Rights will not apply to the negotiation of Injurious Affection claims. Such claims will be considered on a case-by-case basis.

