



Rail Development

Discretionary Professional Fees Policy

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1 Introduction

Northern Powerhouse Rail: Manchester Connection

Northern Powerhouse Rail (NPR) is the government's plan to provide more reliable and frequent services between key economic centres in the North of England. NPR forms the transport backbone of the Northern Growth Strategy and will deliver a “turn-up-and-go” railway linking Liverpool, Manchester, Leeds/Bradford, Sheffield and York, with regular onward services to Newcastle, Hull and Chester for North Wales connections.

NPR will be delivered in three phases:

- (1) early upgrades and electrification east of the Pennines (Leeds–Bradford, Sheffield–Leeds, Leeds–York);
- (2) a new Liverpool–Manchester route via new stations at Warrington Bank Quay (Low Level) and Manchester Airport; and
- (3) further cross Pennine enhancements beyond the Transpennine Route Upgrade, including Manchester–Leeds, Manchester–Bradford and Manchester–Sheffield.

The first phase of NPR prioritises the upgrades to existing lines east of the Pennines. The adapted High Speed Rail (Crewe- Manchester) Bill, (hereafter ‘the Bill’) has been taken forward as part of the second phase of NPR to obtain the necessary powers to deliver the NPR route into Manchester via Manchester Airport (the Proposed Scheme). The Bill, formerly designed to deliver the route between Crewe to Manchester, has been adapted to retain only the section of route from the Parish of Millington and Rostherne to Manchester Piccadilly, via a new station at Manchester Airport (also known as NPR's ‘Manchester Connection’). For further information about the development of the Bill, please see information paper A1.

The government has also confirmed its intention to ultimately complete a new line between Birmingham and Manchester. This is not included in this Bill and this would be progressed following the delivery of the three stages of NPR, but it informs decisions on NPR scope and future-proofing.

The work to produce the Bill includes an Equalities Impact Assessment and an Environmental Impact Assessment (EIA), the results of which are reported in an Environmental Statement (ES) submitted alongside the Bill. The Secretary of State for Transport has also published draft Environmental Minimum Requirements (EMRs), which set out the environmental and sustainability commitments that will be observed in the construction of the Proposed Scheme. For more information on the EMRs please see Information Paper E1: Control of environmental impacts.

The Secretary of State for Transport is the Promoter of the Bill through Parliament. The Promoter will also appoint a body responsible for delivering the Proposed Scheme under the powers granted by the Bill. Following Royal Assent this body will be the ‘nominated undertaker’. There may be more than one nominated undertaker. However, any and all nominated undertakers will be bound by the obligations contained in the Bill, and the policies and commitments established in the EMRs, including any commitments provided in the information papers.

The development and promotion of these proposals for the purposes of the Bill is being undertaken by Rail Development Directorate. This is a ring-fenced business unit of HS2 Ltd, which in turn is a non-departmental public body working under a Development Agreement entered into with the Secretary of State for Transport. This arrangement reflects the expertise available for developing hybrid bills in advance of decisions about future delivery responsibilities.

Discretionary Professional Fees Policy

It is important that people who are directly affected by proposed or actual Northern Powerhouse Rail: Manchester Connection works obtain professional advice from practitioners experienced in compulsory purchase and compensation.

The statutory framework for payment of compensation (the Compensation Code) typically provides for reimbursement of professional fees upon the property being purchased by the acquiring authority. Since this might be several years away in the case of Northern Powerhouse Rail: Manchester Connection, this discretionary policy has been introduced to sit alongside the statutory position.

Under this policy, consideration will be given to the advance interim payment of reasonable fees to professional surveyors and other specialist agents who are reasonably instructed to provide advice to landowners and those with property interests directly and significantly impacted by the Northern Powerhouse Rail: Manchester Connection scheme (also referred to as impacted parties).

This applies where the landowner will in due course have a claim under the Compensation Code for compulsory purchase and it is reasonably necessary for the landowner to obtain professional advice in advance of any actual land acquisition or compulsory purchase. Guidance on the reimbursement of professional fees incurred in submission of blight claims is set out in the Guide to Serving a Blight Notice and Selling your Blighted Property available at www.npr-bill-documents.org.uk.

This policy is intended to assist residents, small businesses and rural landowners who reasonably need access to professional advice at an early stage of the scheme and who may suffer financial disadvantage from having to pay for professional advice, in advance of being able to recover such costs. Generally, applications under this policy from large organisations or from investment and development companies will not be accepted.

Each case will be considered on its own merits in accordance with the principles below. Not every case would necessarily be eligible, and the agent should check with us on each occasion to ensure costs incurred can be reimbursed.

2 General provisions

If there is no entitlement to compensation under the Compensation Code, there is no entitlement to professional fee payments.

To confirm eligibility to claim fees under this discretionary policy, we will need to be provided with details of the impacted party, including their address, the nature of their interest in the property, and a plan showing the extent of ownership.

We reserve the right to change this policy from time to time, but any decision would not change entitlement to compensation.

Where agents act for several impacted parties, they are expected to complete a separate standard Fee Memorandum form for each case. This will set out the rates and other terms that are individually applicable.

The contractual arrangement for the provision of professional advice is between the agent and their client, and this relationship is not affected by this policy. The agent should agree their fee arrangements with their client and, in some cases, there may be a shortfall between the agents fees and those that are eligible for reimbursement. Impacted parties may be responsible for fees that fall outside of this policy and we would expect the agent to explain this before the fees are incurred.

The Royal Institution of Chartered Surveyors (RICS) sets professional standards that are mandatory for chartered surveyors advising in respect of compulsory purchase and compensation. Anybody instructing surveyors to advise them on compulsory purchase and compensation is recommended to familiarise themselves with the terms of engagement. RICS provide a useful framework setting out what the terms of engagement should include. See **www.rics.org.uk** for more information.

3 Application process

To minimise the risk of a dispute, agents making claims under this discretionary policy should follow the process below for each individual case even when they are acting for several clients.

The impacted party or the appointed agent must approach us with a request to consider the payment of professional fees, normally covering an interim reimbursement of fees ahead of the settlement of a final compensation claim.

A copy of the client instruction to the agent must be included with each application alongside the terms of engagement provided by the agent to their client.

We will confirm if we are willing to pay professional fees.

The agent must contact us to propose the scope of services and an interim fees budget for each individual case, which will be subject to periodic review according to the circumstances of the case.

In order to benefit from this policy, agents who are members of regulatory bodies such as the Royal Institution of Chartered Surveyors or membership bodies such as the Compulsory Purchase Association, may be requested to demonstrate compliance with the rules and practice statements of those organisations.

4 Fee rates

The level of fee that is considered reasonable for payment should reflect the experience of the professional advisor and the level of skill appropriate to the type of work to be carried out. We will review the hourly rates on a periodic basis effective from 1st of April in each year, based on the reported increase in average earnings and a sense check review to ensure rates are aligned to the general market.

In addition to the hourly rate, reasonable travel, and other expenses may be claimed upon the provision of evidence. Mileage is reimbursed at HMRC rates. Public transport costs are only to be reimbursed at the cheapest standard fare.

In all cases, agents and their clients should seek to mitigate and avoid unnecessary costs.

5 Scope of professional services

Agents must agree the scope of their services and indicative fee rates with their client and us in advance of making a claim under this discretionary policy. The following principles will apply unless there are exceptional circumstances agreed with us. The Exclusions referred to in the next section also apply.

The Government will:

- a) Generally pay for up to three hours of initial advice to an impacted party on entitlements to compensation consistent with the Compensation Code. In exceptional cases, if it is felt that the nature of a case is sufficiently complex and needs longer than three hours, then an additional timescale and justification must be agreed with us in advance.
- b) By prior agreement, we will also pay fees on agreed milestones where there is a specific requirement for early engagement prior to further detailed design or an opportunity to mitigate a future claim for compensation.
- c) Pay for a maximum of three hours of the professional adviser's time at an agreed rate to support the development of Farm Impact Assessments if required.
- d) Pay a maximum of £250+VAT (where applicable) for the completion of Land Information Questionnaires.

This scope of services may be varied by negotiation and agreement with us in exceptional circumstances. It is the impacted party and their agent's responsibility to advise us in advance if fees are likely to exceed agreed budget and to discuss possible solutions.

6 Exclusions

The following fees and costs are not claimable under this discretionary policy:

- Costs and fees which an agent incurs for the purpose of obtaining information about the Northern Powerhouse Rail: Manchester Connection project unrelated to a specific client appointment, or on canvassing for business.
- Costs and fees which are incurred in preparing and submitting responses to consultations (for example, in response to draft Environmental Statements).
- Costs and fees incurred where there is no interest in land or compensatable interest.
- Costs and fees which are incurred both in drawing up and depositing their petitions and in presenting their case to the Houses of Parliament, or in negotiating the settlement of petitions (unless within the scope of the Compensation Code).
- Costs and fees associated with applications under Northern Powerhouse Rail: Manchester Connection's discretionary property schemes. These schemes were specifically designed to avoid the need for professional representation and no professional fees are payable.
- Attendance at public and consultation events.
- Recoverable VAT, or other recoverable sums. It should be noted that it is assumed that VAT can be recovered unless adequate justification is presented to the contrary.
- If an impacted party decides to change their appointed professional agent, then fees incurred by the new agent in duplicating any earlier work carried out by the previous agent will not be reimbursed.
- Avoidable expenses, travel and subsistence.

7 Timesheets, invoicing and payment

The following should be submitted for approval prior to the submission of any invoice:

- Timesheets, diary records and activity logs to demonstrate time spent on the approved and agreed scope of work, and to demonstrate that fees have been mitigated;
- Receipts for any expenses or travel costs in accordance with the agreed fees basis; and
- Draft invoice based on the above.

We will advise as to whether the timesheet and draft invoice is accepted or rejected or if there are any queries or further evidence required.

Upon confirmation of acceptance, the final invoice should be addressed to:

Impacted party

c/o HS2 Limited

Accounts Payable

Two Snow Hill

Snow Hill Queensway

Birmingham B4 6GA

The invoice must include:

- (i) the address of the property impacted (i.e. not merely the client's address which might be different), and
- (ii) the client's VAT status, and attaching the supporting documentation

Invoices can also be submitted by email to **lpclaims@raildevelopment.org.uk**.

A scanned or photocopied document is sufficient, the original document is not required.

Invoices should be submitted no more than once every three months.

8 Further advice

If there are any questions about this policy, please contact the HS2 Helpdesk as follows:-

HS2 Helpdesk

High Speed Two (HS2) Ltd

Two Snowhill

Snow Hill Queensway

Birmingham B4 6GA

Email: **enquiries@raildevelopment.org.uk**

Freephone: 08081 434434

It is important that impacted parties obtain correct professional advice from practitioners experienced in compulsory purchase and compensation. The Royal Institution of Chartered Surveyors operates a customer helpline that can put people in touch with suitably experienced firms in their area. Their contact details are:-

Royal Institution of Chartered Surveyors

12 Great George Street

Parliament Square

London SW1P 3AD

Email: **contactrics@rics.org**

Telephone: 024 7686 8555

The Central Association of Agricultural Valuers may also be able to assist owners in rural areas. Their contact details are:

The Central Association of Agricultural Valuers

Harts Barn Farmhouse

Monmouth Road

Longhope

Gloucestershire GL17 0QD

Email: **enquire@caav.org.uk**

Telephone: 01452 831815

Keeping you informed

We are committed to keeping you informed about work on Northern Powerhouse Rail: Manchester Connection. This includes making sure you know what to expect and when to expect it, as well as how we can help.

Residents' and Construction Commissioner

The independent Residents' and Construction Commissioner oversees and monitors our work, making sure we fulfil our commitments to you.

The commissioner will monitor the way we manage and respond to complaints about construction and advises members of the public how to make complaints.

The commissioner helps settle disputes involving individuals and organisations that we can't resolve.

The commissioner can be contacted on:
hs2commissioner@dft.gov.uk

Property and compensation

You can find out all about Northern Powerhouse Rail: Manchester Connection including how it affects properties along the route and if you could be entitled to compensation by visiting:
www.npr-bill-documents.org.uk

Holding us to account

If you are unhappy for any reason, you can make a complaint by contacting our Helpdesk team.
For more details on our complaints process, please visit our website:
www.hs2.org.uk/contact-us/how-to-complain/

Contact us

Our Helpdesk team are available all day, every day.

You can contact them by:

 Freephone
08081 434 434

 Minicom
08081 456 472

@ Email
enquiries@raildevelopment.org.uk

Write to

**FREEPOST
HS2 Community Engagement**

Website
www.npr-bill-documents.org.uk

Please contact us if you'd like a free copy of this document in large print, Braille, audio or easy read. You can also contact us for help and information in a different language.

We are committed to protecting personal information. If you would like to know more about how we use your personal information, please see our privacy notice
www.gov.uk/government/publications/high-speed-two-ltd-privacy-notice.