

GROVE ROAD REGENERATION

LAND AND PROPERTY ACQUISITION FEE POLICY

2ND JULY 2019

1. The Ebbsfleet Development Corporation (“EDC”) is working to deliver a residential-led development scheme in the Grove Road area in Northfleet, Gravesend, following identification that the area is suitable for new housing in the EDCs boundary and Gravesham Council’s Local Plan.
2. EDC are currently considering land assembly matters in connection with the redevelopment and it may be necessary for EDC to use compulsory purchase powers. Such powers would only prove necessary if land and property interests cannot be assembled by agreement.
3. If EDC acquires properties by way of compulsory purchase in the future then the professional fees reasonably incurred by affected parties will, in certain circumstances, be payable as compensation. The basis and amount of such reimbursement would be assessed in line with the statutory code of compensation. EDC would encourage anyone whose property or rights are to be acquired to seek professional advice at that time on their potential entitlement to compensation. It is recommended that guidance is sought before incurring professional fees as these will not always qualify for reimbursement.
4. However, in advance of EDC using such powers to compulsorily acquire land, we are seeking to assemble the site by agreement. We recognise that property owners, or owners of property rights, may wish to obtain advice to aid these discussions.
5. EDC will, in certain circumstances, reimburse professional fees reasonably incurred. This Fee Policy sets out the circumstances where fees will be paid and the procedures to be followed in order to obtain payment. There is a possibility that not all fees will be reimbursed and it is important this is understood at the outset to avoid risk of dispute at a later date. This policy should be shared with prospective advisers before they start work.
6. Should affected parties have queries in relation to the purpose and application of this policy they can refer these to John Sayer of CBRE Limited (“CBRE”) - john.sayer@cbre.com or 0207 182 2144. CBRE are property advisers to EDC in respect of the Grove Road Regeneration scheme.
7. When selecting an adviser, we encourage affected parties to seek a Chartered Surveyor to advise them in respect of valuation and compensation matters. The Royal Institution of Chartered Surveyors has published a Professional Statement known as *“Surveyors advising in respect of compulsory purchase and statutory compensation, UK, 1st edition”*. Professional Statements are mandatory for their members and an adviser must confirm in writing that they are providing advice on this basis to their client. The Professional Statement is publicly available on the Royal Institution of Chartered Surveyors' website.
8. The Royal Institution of Chartered Surveyors operate a Consumer Helpline which can be reached on 02476 868 555. This helpline can put affected parties in touch with experienced Chartered Surveyors in the local area that will provide up to 30 minutes of free advice.

What Fees will be paid?

9. It is normal to reimburse fees for assessing a claim and negotiating compensation following acquisition by compulsory purchase. It is, however, the case that such fees can only be claimed under statute when a Notice to Treat and Enter or General Vesting Declaration notices have been served. There is no statutory obligation on EDC to reimburse fees until that time. We do, however, recognise the challenges this may bring and we are consequently looking to make early commitments to ensure affected parties are represented.
10. Fees are not reimbursed for objecting to any Compulsory Purchase Order or appearing at any Public Inquiry. However, the payment of fees in these circumstances is dealt with under the Compulsory Purchase (Inquiries Procedure) Rules 2007. An Inspector may award such costs in certain circumstances. This Fee Policy does not apply to any such fees.
11. Claimants have the right to refer compensation disputes to the Upper Tribunal (Lands Chamber). Fees incurred on such a referral will be paid as directed under the rules of the Tribunal. This Fee Policy does not apply to such referrals.

Reimbursement of fees by EDC

12. EDC is prepared to reimburse the reasonable professional fees (surveyors' and legal fees) incurred by impacted landowners. This applies to landowners who are entering into discussions for an acquisition by agreement or on the basis for an agreement in advance of compulsory purchase powers being exercised. These would be paid as part of any agreement reached and is subject to the procedure identified below.
13. EDC is also prepared to reimburse abortive fees in the event that negotiations to acquire by agreement are unsuccessful or if EDC withdraws from negotiations. EDC will only reimburse such abortive fees where we are satisfied that such negotiations have been conducted on a fair and reasonable basis with a genuine intention of reaching an agreement. Any such fees incurred must be on the basis previously agreed between the parties.

Procedure for Fee Reimbursement

14. In each case the owner of the property interest must notify EDC who their advisers are (this should be through CBRE who act on EDC's behalf) and the basis on which they are proposing to charge fees. This should be notified to, and agreed by, EDC before the advisers undertake any work or incurring any fees to ensure that there is clarity and agreement over the basis of fee assessment.
15. If EDC accept the proposed fee basis is reasonable and proportionate, having regard to the work proposed to be undertaken, this will be confirmed in writing. If the fee basis is not acceptable then this will be confirmed in writing by EDC or their advisers. An alternative basis for assessing fees may be proposed by EDC or their advisers.
16. If the property owner subsequently changes their adviser this should be confirmed to EDC in writing. It is necessary that the new advisers' proposed fee basis is agreed in writing before they undertake any work, if the landowner anticipates seeking reimbursement of these professional

fees. Whilst each case will be considered on its merits, EDC is not prepared to pay for any duplication of work in such circumstances.

17. In each case an initial fee ceiling will be agreed. If the ceiling is reached, or is likely to be reached, this should be communicated at the earliest opportunity to EDC, who will review and consider whether it will be appropriate to set a revised fee ceiling. Should fees exceed the initial fee ceiling without EDC agreement there is a risk that the additional fees will not be reimbursed.
18. The property owner is the party instructing the adviser and is responsible for paying their adviser's fees. Fees should be paid by the property owner to their adviser and these fees will subsequently be reimbursed by EDC to the property owner once EDC are satisfied that the fees have been reasonably and properly incurred and billed. Reimbursement is contingent on supporting documentation being provided including the paid invoice with an accompanying timesheet and appropriately detailed narrative.
19. The intention is to reimburse fees and other costs within one month of EDC being satisfied that they have been incurred in accordance with this Fee Policy.
20. Where an owner is able to recover VAT via HM Revenue & Customs on the cost of professional services, then they are expected to do so. EDC will not reimburse the VAT element of professional costs that could be recovered from elsewhere. Any VAT paid to the adviser should be clearly identified when seeking reimbursement.
21. Third parties are entitled to seek their own professional advice and incur fees as they wish. However, if they anticipate seeking reimbursement of such costs from EDC then any fees incurred prior to agreeing a suitable basis may be at risk of non-payment.

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