

Record of operational decision

Decision title:	Payment for professional services costs in relation to the Edgar Street Grid Link Road and Urban Village / Hereford City Centre Transport Package land acquisition																		
Date of decision:	24 September 2021																		
Decision maker:	Interim Director for economy and place																		
Authority for delegated decision:	<p>Cabinet member decision dated 22 January 2021: Hereford City centre transport package (HCCTP)</p> <p>That:</p> <p>(c) the director for economy and place in consultation with the section 151 officer is authorised to take all operational decisions necessary to make the remaining city link road land acquisition payments.</p>																		
Ward:	Widemarsh																		
Consultation:	The section 151 officer, finance team and legal services have been consulted on the decision.																		
Decision made:	<p>To pay the following professional services to support the council in regards to payment of compensation in respect of land acquisition for the Edgar Street Grid Link Road and Urban Village / HCCTP</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Professional Service</th> <th style="text-align: left;">Amount (£)</th> </tr> </thead> <tbody> <tr> <td>Lambeth Smith Hampton</td> <td>130k</td> </tr> <tr> <td>Forensic accountant</td> <td>13k</td> </tr> <tr> <td>Barber Wadlow</td> <td>15k</td> </tr> <tr> <td>Pinsent Masons</td> <td>12k</td> </tr> <tr> <td>Counsel Advice</td> <td>£6k</td> </tr> <tr> <td> </td> <td> </td> </tr> <tr> <td>Total</td> <td>176k</td> </tr> <tr> <td> </td> <td> </td> </tr> </tbody> </table>	Professional Service	Amount (£)	Lambeth Smith Hampton	130k	Forensic accountant	13k	Barber Wadlow	15k	Pinsent Masons	12k	Counsel Advice	£6k			Total	176k		
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Reasons for decision:	<p>A Compulsory Purchase Order (CPO) and Side Roads Order (SRO) were made on the 23 August 2013, to enable the delivery of the Link Road and following a public inquiry on 23 September 2014 both the CPO and SRO were confirmed by the Secretary of State for Communities and the Local Government and the Secretary of State for Transport respectively.</p> <p>This is professional support required in regards to negotiating and agreeing statutory compensation due under s52 Land Compensation Act 1973 up until the 31 December 2021. Other than Lambeth Smith Hampton the costs identified specifically relate to the one outstanding claim that relate to three property interests.</p> <p>The anticipated £130k for Lambeth Smith Hampton is the total cost for all claims that have been received and settled to date.</p> <p>To date the following payments have been made:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Professional Service</th> <th style="text-align: left;">Amount (£)</th> </tr> </thead> <tbody> <tr> <td>Lambeth Smith Hampton</td> <td>127k</td> </tr> <tr> <td>Forensic accountant</td> <td>0k</td> </tr> <tr> <td>Barber Wadlow</td> <td>11k</td> </tr> </tbody> </table>	Professional Service	Amount (£)	Lambeth Smith Hampton	127k	Forensic accountant	0k	Barber Wadlow	11k										
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	Pinsent Masons	5k
	Counsel Advice	0k
	Total	143k
	All of the above have been procured in line with the council's contract procedure rules. The total payments will be £176k	
Highlight any associated risks/finance/legal/equality considerations:	<p>Risks</p> <p>It is noted that in line with the provisions of the Land Compensation Act, compensation payments are subject to a daily interest charge until land compensation is agreed. The daily interest charge has been at 0.25% per annum, and settlements will reflect the interest during this period. Currently the interest rate is 0%. These are reviewed every three months. Unreasonable delays to agreeing and settling payments may incur additional costs on the basis of this daily charge, should the interest rate increase.</p> <p>Additional costs may also be incurred from the claimants agents and solicitors associated with pursuing the outstanding payment. The Council are liable for these reasonable costs in relation to the CPO if payments are delayed.</p> <p>Financial</p> <p>The land budget was updated in the cabinet member decision of January 2021 to a value of £16,250,000: http://councillors.herefordshire.gov.uk/mgIssueHistoryHome.aspx?IId=50035899</p> <p>The cabinet member report of the 22nd July 2021 noted that there is a risk that the figure could increase to £17.75 million as a result of a claim that had been submitted. The agreed final figure of £176k for these fees is as estimated allocated with this land budget. This payment would bring the overall spend to £15,088,093 on land costs which remains within the agreed budget for land.</p> <p>There may be a risk that further fees will be incurred should settlements not be reached and there is a referral to tribunal, this would be subject to a separate decision.</p> <p>Legal</p> <p>The council's legal representative will prepare the documents necessary to enable the payment and completion of the claims.</p> <p>Equality</p> <p>There are no identified equality issues.</p>	
Details of any alternative options considered and rejected:	Not to use professional services. This not recommended as there is no in house resource or expertise.	
Details of any declarations of interest made:	None	

Signed

Neil Taylor
Interim Director for Economy & Place

Date: 24 September 2021