

Insights

NEGOTIATING RIGHTS OVER LAND FOR ELECTRICITY INFRASTRUCTURE: WHAT'S NEW IN THE UPDATED CODE OF PRACTICE?

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Summary

The second edition of the voluntary Code of Practice for parties involved in negotiations relating to Rights over Land for Electricity Infrastructure was published on 1 September 2026, following its initial release in June 2025. The Code sets out expected standards of behaviour for electricity licence holders (Licence Holders) and professional representatives involved in such negotiations, promoting voluntary agreement ahead of recourse to statutory powers with the principle of reasonableness embedded throughout. Version 2 of this Code refines the detail on professional costs, works affecting land, Landowner-led requests, and dispute resolution.

Why the Code was introduced

The rapid expansion of the UK electricity network required to meet growing demand and Net Zero targets depends heavily on acquiring rights over privately owned land. This Code of Practice was introduced to balance the needs of electricity Licence Holders to reinforce and build new infrastructure, with the rights of Landowners (which covers current or prospective occupiers, grantors and claimants, as the context requires), and to encourage good relationships between these parties. It outlines best practice guidance on how the professional representatives of Licence Holders and Landowners should conduct negotiations of agreements and sets out the principles and standards of behaviour that are expected. It does not override existing legislation, statutory rights or professional rules.

The Code is scheduled for review every 12 months, with feedback gathered through an online survey coordinated by the Central Association of Agricultural Valuers (CAAV). Version 2 is the product of that first annual review.

Professional conduct and costs

Professional representatives such as agents, surveyors and valuers acting for Licence Holders or Landowners who are members of the Energy Networks Association (ENA), the CAAV and the Royal Institution of Chartered Surveyors (RICS) have agreed to adopt this Code in negotiations (for the purpose of the Code these professionals are known as 'Representatives'), but any professional may choose to voluntarily adopt it and it is considered best practice to do so.

The Code is designed to hold Representatives to standards that go beyond securing the best deal for their client, requiring them to act with integrity, reasonableness, competence, diligence and honesty, communicating promptly with affected parties, and having regard to the RICS Professional Standard on compulsory purchase and statutory compensation, regardless of whether the individual is RICS regulated.

It includes best practice for cost recovery which centres on early, written agreement and mutual cooperation. Licence Holders are expected to reimburse Landowners' reasonable professional costs, whether on a time and expenses, fee-scale/band, or fixed-fee basis. Representatives must confirm their authorisation to act, warn Landowners they bear ultimate liability for costs, and agree the basis of reimbursement with the Licence Holder in writing before costs are incurred. Licence Holders are advised to adopt and regularly review internal policies for reimbursing Landowner costs informed by external benchmarks, while retaining flexibility to revisit costs if the scope of work changes or exceptional circumstances arise. Where a dispute over costs arises, the parties should turn to Alternative Dispute Resolution (ADR), with the shared goal of ensuring a Landowner is not left unfairly out of pocket while still only reimbursing costs that are reasonable.

Works affecting land

Before any non-emergency intrusive works, Licence Holders should give the Landowner details of access requirements, plans, timescales and start dates, with a pre-works site meeting and photographic record of condition arranged where relevant to avoid disputes about damage. Emergency works are treated differently as prior contact may not be practicable, but the Licence Holder should make contact as soon as possible afterwards, and Landowners should not hinder reasonable emergency access. Where damage occurs, the Licence Holder is responsible for reinstatement or for settling a claim in lieu.

Landowner-led requests

The Code also addresses the position where a Landowner wants existing equipment diverted or removed. Licence Holders have a statutory duty to maintain a coordinated, safe and economical network, and will assess diversion requests against technical and economic feasibility, whether through undergrounding, overground diversion, or compensation for retained infrastructure. That compensation reflects diminution in value under the Compensation Code, not the cost of moving the equipment, and the costs of pursuing a diversion or termination normally fall on the Landowner. Where an Agreement over existing equipment has ended, the Licence Holder retains a statutory

right to keep the equipment in place but should engage constructively if the Landowner wants a new Agreement.

Negotiation, statutory powers and disputes

The Code's preference for voluntary agreement runs throughout. Licence Holders are expected to make reasonable efforts to reach agreement before exercising statutory processes such as necessary wayleaves, compulsory purchase, or development consent orders, and negotiations should continue in parallel even once a statutory application has been made. Claims should be pursued and settled on an equitable basis, with both sides expected to act promptly, provide timely evidence, and avoid withholding relevant material.

Where disagreement persists, the Code steers parties toward ADR before references to the Tribunal or reliance on statutory powers. Complaints about non-adherence follow a three-stage escalation: informal peer review, internal formal review, then referral to the relevant professional body (CAAV or RICS) or the ENA.

What this means in practice

For Licence Holders and their advisers, the Code is a best-practice and reputational benchmark rather than a legally binding obligation. However, non-compliance may still lead to complaints and scrutiny. Licence Holders should review their wayleave and consent procedures, cost-reimbursement policies and complaints processes to ensure they align with the updated Code, including agreeing costs in writing before work begins, responding promptly to claims, and maintaining clear complaints channels.

For Landowners and their advisers, the Code reinforces expectations of early engagement, advance notice of works, reinstatement or compensation for damage, and reimbursement of reasonable professional costs where agreed in writing in advance. Licence Holders are not required to delay works pending agreement on costs, although Landowners may be unwilling to instruct advisers until that issue is resolved. It is also important to note that the costs of Landowner-led diversion or termination requests are generally not recoverable.

Although the Code remains voluntary, Version 2 reinforces the expectation that disputes should be resolved through early engagement, transparent cost arrangements and continued negotiation even where statutory processes are underway. In practice, this may make it more difficult for either side to justify adversarial approaches or prolonged delays in progressing negotiations.

Looking ahead

Annual reviews of the Code will continue. Although the most recent review refined the guidance on costs and Landowner-led requests without altering the Code's underlying principles, further

amendments may be introduced in future editions. Accordingly, advice given under the current version should recognise that the position may evolve, and practitioners should monitor the CAAV's consultation process for future developments.

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Meet the team



James Parker

Partner, London

james.parker@bclplaw.com

[+44 \(0\) 20 3400 4132](tel:+442034004132)



Clare Eccles

Senior Knowledge & Innovation

Lawyer, London

clare.eccles@bclplaw.com

[+44 \(0\) 20 3400 4267](tel:+442034004267)

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