



Land Compensation Act 1961

1961 CHAPTER 33 9 and 10 Eliz 2

PART II

PROVISIONS DETERMINING AMOUNT OF COMPENSATION

Assumptions as to planning permission

[^{F1}14] Taking account of actual or prospective planning permission.

- (1) This section is about assessing the value of land in accordance with rule (2) in section 5 for the purpose of assessing compensation in respect of a compulsory acquisition of an interest in land.
- (2) In consequence of that rule, account may be taken—
 - (a) of planning permission, whether for development on the relevant land or other land, if it is in force at the relevant valuation date, and
 - (b) of the prospect, on the assumptions set out in subsection (5) but otherwise in the circumstances known to the market at the relevant valuation date, of planning permission being granted on or after that date for development, on the relevant land or other land, other than—
 - (i) development for which planning permission is in force at the relevant valuation date, and
 - (ii) appropriate alternative development.
- (3) In addition, it may be assumed—
 - (a) that planning permission is in force at the relevant valuation date for any development that is appropriate alternative development to which subsection (4)(b)(i) applies, and
 - (b) that, in the case of any development that is appropriate alternative development to which subsection (4)(b)(ii) applies and subsection (4)(b)(i) does not apply, it is certain at the relevant valuation date that planning permission for that development will be granted at the later time at which at that date it could reasonably have been expected to be granted.

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- (4) For the purposes of this section, development is “appropriate alternative development” if—
- (a) it is development, on the relevant land alone or on the relevant land together with other land, other than development for which planning permission is in force at the relevant valuation date, and
 - (b) on the assumptions set out in subsection (5) but otherwise in the circumstances known to the market at the relevant valuation date, planning permission for the development could at that date reasonably have been expected to be granted on an application decided—
 - (i) on that date, or
 - (ii) at a time after that date.
- (5) The assumptions referred to in subsections (2)(b) and (4)(b) are—
- (a) that the scheme of development underlying the acquisition had been cancelled on the launch date,
 - (b) that no action has been taken (including acquisition of any land, and any development or works) by the acquiring authority wholly or mainly for the purposes of the scheme,
 - (c) that there is no prospect of the same scheme, or any other project to meet the same or substantially the same need, being carried out in the exercise of a statutory function or by the exercise of compulsory purchase powers, and
 - (d) if the scheme was for use of the relevant land for or in connection with the construction of a highway (“the scheme highway”), that no highway will be constructed to meet the same or substantially the same need as the scheme highway would have been constructed to meet.
- (6) In subsection (5)(a) “the launch date” means whichever of the following dates applies—
- (a) if the acquisition is authorised by a compulsory purchase order, the date of first publication of the notice required under section 11 of the Acquisition of Land Act 1981 or (as the case may be) paragraph 2 of Schedule 1 to that Act,
 - (b) if the acquisition is authorised by any other order—
 - (i) the date of first publication, or
 - (ii) the date of service,
 of the first notice that, in connection with the acquisition, is published or served in accordance with any provision of or made under any Act, or
 - (c) if the acquisition is authorised by a special enactment other than an order, the date of first publication of the first notice that, in connection with the acquisition, is published in accordance with any Standing Order of either House of Parliament relating to private bills;
- and in paragraph (a) “compulsory purchase order” has the same meaning as in the Acquisition of Land Act 1981.
- (7) In subsection (5)(d) references to the construction of a highway include its alteration or improvement.
- (8) If there is a dispute as to what is to be taken to be the scheme mentioned in subsection (5) (“the underlying scheme”) then, for the purposes of this section, the underlying scheme is to be identified by the Upper Tribunal as a question of fact, subject as follows—

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- (a) the underlying scheme is to be taken to be the scheme provided for by the Act, or other instrument, which authorises the compulsory acquisition unless it is shown (by either party) that the underlying scheme is a scheme larger than, but incorporating, the scheme provided for by that instrument, and
 - (b) except by agreement or in special circumstances, the Upper Tribunal may permit the acquiring authority to advance evidence of such a larger scheme only if that larger scheme is one identified in the following read together—
 - (i) the instrument which authorises the compulsory acquisition, and
 - (ii) any documents published with it.
- (9) For the purposes of the references to planning permission in subsections (2)(a) and (b) (i) and (4)(a) and section 15(1)(b), it is immaterial whether any planning permission was granted—
- (a) unconditionally or subject to conditions, or
 - (b) on an ordinary application, on an outline application or by virtue of a development order,
- or is planning permission that, in accordance with any direction or provision given or made by or under any enactment, is deemed to have been granted.]

Textual Amendments

F1 Ss. 14, 15 substituted (6.4.2012) for ss. 14-16 by [Localism Act 2011 \(c. 20\)](#), **ss. 232(2), 240(2)** (with [s. 232\(8\)](#)); [S.I. 2012/628](#), [art. 8\(d\)](#) (with [arts. 9,12,13,16, 18-20](#)) (as amended (3.8.2012) by [S.I. 2012/2029](#), [arts. 2, 4](#))

^{F2}15 Planning permission to be assumed for acquiring authority's proposals

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Textual Amendments

F2 S. 15 omitted (22.9.2017) by virtue of [Neighbourhood Planning Act 2017 \(c. 20\)](#), **ss. 32(4)(a), 46(1)**; [S.I. 2017/936](#), [reg. 3\(b\)](#) (with [reg. 4](#))

^{F1}16 Special assumptions in respect of certain land comprised in development plans.

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Textual Amendments

F1 Ss. 14, 15 substituted (6.4.2012) for ss. 14-16 by [Localism Act 2011 \(c. 20\)](#), **ss. 232(2), 240(2)** (with [s. 232\(8\)](#)); [S.I. 2012/628](#), [art. 8\(d\)](#) (with [arts. 9,12,13,16, 18-20](#)) (as amended (3.8.2012) by [S.I. 2012/2029](#), [arts. 2, 4](#))

Changes to legislation:

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

- Act applied by [2023 asc 3 s. 142\(5\)](#)
- Act applied by [S.I. 2024/360 art. 38\(3\)](#)
- Act applied by [S.I. 2024/393 art. 30\(3\)](#)
- Act applied (with modifications) by [S.I. 2024/360 Sch. 5 para. 12](#)
- Act applied (with modifications) by [S.I. 2024/436 Sch. 9 para. 12](#)
- Act excluded by [2023 asc 3 s. 140\(4\)\(a\)](#)
- Act modified by [S.I. 2020/1297 art. 36](#) (This amendment not applied to legislation.gov.uk. S.I. 2020/1297 was withdrawn following a request from the Department of Transport dated 9th August 2021 which followed the decision of the High Court of Justice to quash this Order in the judgement dated 2nd August 2021 (High Court of Justice — Planning Court — The Queen (on the application of Save Stonehenge World Heritage Site) v. Secretary of State for Transport — Case No. CO/4844/2020))
- Act modified by [S.I. 2020/1297 Sch. 5 para. 2](#) (This amendment not applied to legislation.gov.uk. S.I. 2020/1297 was withdrawn following a request from the Department of Transport dated 9th August 2021 which followed the decision of the High Court of Justice to quash this Order in the judgement dated 2nd August 2021 (High Court of Justice — Planning Court — The Queen (on the application of Save Stonehenge World Heritage Site) v. Secretary of State for Transport — Case No. CO/4844/2020))
- Act modified by [S.I. 2021/51 Sch. 6 para. 2](#) (This amendment not applied to legislation.gov.uk. S.I. 2021/51 removed from the website by request from the Department of Transport dated 12th July 2021 which followed the decision of the High Court of Justice to quash these Regulations in the judgement dated 8th July 2021 (High Court of Justice — Planning Court — The Queen (on the application of Mair Bain) v. Secretary of State for Transport — Case No. CO/642/2021).)

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 14(2A)(2B) substituted for s. 14(3)(4) by [2023 c. 55 s. 189\(2\)\(b\)](#)
- s. 14A inserted by [2023 c. 55 s. 190\(2\)\(a\)](#)
- s. 17(1A)-(1C) inserted by [2023 c. 55 s. 189\(3\)\(b\)](#)
- s. 17(3)(ba) substituted for s. 17(3)(a)(b) by [2023 c. 55 s. 189\(3\)\(c\)](#)
- s. 17(5A)-(5C) substituted for s. 17(5)-(8) by [2023 c. 55 s. 189\(3\)\(d\)](#)
- s. 18(2)(b)(iia) inserted by [2023 c. 55 s. 189\(4\)\(a\)\(ii\)](#)
- s. 18(2)(aa) inserted by [2023 c. 55 s. 189\(4\)\(a\)\(i\)](#)
- s. 18(2A)(2B) inserted by [2023 c. 55 s. 189\(4\)\(b\)](#)
- s. 22(2A) inserted by [2023 c. 55 s. 189\(7\)](#)
- s. 32(3) inserted by [2023 c. 55 s. 190\(2\)\(b\)](#)
- Sch. 2A inserted by [2023 c. 55 s. 190\(2\)\(c\)](#)