

LOCALISM ACT 2011

EXPLANATORY NOTES

COMMENTARY

Part 9: Compensation for Compulsory Acquisition

Section 232 - Taking account of planning permission when assessing compensation

457. **Section 232** reforms the planning assumptions for compulsory purchase compensation by substituting sections 14 to 18 of the Land Compensation Act 1961.
458. Substituted section 14 provides that for land taken by compulsory purchase, planning permission must be assumed for:
- any planning permission in force at the valuation date;
 - the prospect on the assumptions set out, in the circumstances known to the market, of planning permission being given on the valuation date;
 - “appropriate alternative development”: being development for which planning permission would have been granted in the absence of the scheme for the compulsory purchase was made.

The main assumption is that the scheme was cancelled on the launch date, defined as the date the compulsory notices were first issued.

459. Substituted section 15 provides that planning permission is also to be assumed for the acquiring authority’s proposals underlying the compulsory purchase. This substitution omits the previous subsections (3) and (4) which allow compensation to be paid for wartime and pre-1948 rebuilding rights under Schedule 3 to the Town and Country Planning Act 1990.
460. The omission of the previous section 16 means that assumptions based on the provisions of the development plan would not be considered. These are intended to be subsumed in the assumptions to be provided in substituted section 14.
461. Substituted section 17 provides for local planning authorities to grant certificates of appropriate alternative development as an aid to valuation on application by any party to the compulsory purchase. The certificate would describe what types of development (if any) would have received planning permission or would say that only planning permission for the scheme would have been granted.
462. Substituted section 18 provides for appeals against a certificate to be made to the Upper Tribunal. The Tribunal will hear the case afresh and could confirm, vary or cancel the certificate and issue a substitute.
463. Subsections (4) to (8) of section 232 contain various consequential and clarificatory provisions.