

SCHEDULE 7

Compensation for grant of rights

Basis on which compensation assessed

5.—(1) The rules set out in section 12 of the 1963 Act (rules for assessing compensation) so far as applicable and subject to any necessary modifications, have effect for the purposes of paragraph 4 as they have effect for the purpose of assessing compensation for the compulsory acquisition of an interest in land.

(2) If the relevant interest in respect of which compensation is to be assessed is subject to a standard security within the meaning of section 9 of the Conveyancing and Feudal Reform (Scotland) Act 1970⁽¹⁾—

- (a) the compensation will be assessed as if the interest were not subject to that security;
- (b) no compensation will be payable in respect of the interest of the creditor (as distinct from the interest which is subject to the security); and
- (c) any compensation which is payable in respect of the interest which is subject to the security must be paid (subject to the maximum sum due thereunder) to the creditor in that security or, if there is more than one creditor, to the first ranking creditor and must, in either case, be applied by that person as if it were proceeds of sale.

⁽¹⁾ 1970 c.35.