



Planning and Compensation Act 1991

1991 CHAPTER 34

PART III

LAND COMPENSATION, ETC: ENGLAND AND WALES

Acquisition of land

63 Advance payments of compensation and interest.

- (1) In section 52 of the ^{M1}Land Compensation Act 1973 (right to advance payment of compensation) for subsection (5) there is substituted—

“(4A) Where, at any time after an advance payment has been made on the basis of the acquiring authority’s estimate of the compensation, it appears to the acquiring authority that their estimate was too low, they shall, if a request in that behalf is made in accordance with subsection (2) above, pay to the claimant the balance of the amount of the advance payment calculated as at that time.

- (5) Where the amount, or aggregate amount, of any payment under this section made on the basis of the acquiring authority’s estimate of the compensation exceeds the compensation as finally determined or agreed, the excess shall be repaid; and if after any payment under this section has been made to any person it is discovered that he was not entitled to it, the amount of the payment shall be recoverable by the acquiring authority.”

- (2) After that section there is inserted—

“52A Right to interest where advance payment made.

- (1) This section applies where the compensation to be paid by the acquiring authority for the compulsory acquisition of any interest in land would (apart from this section) carry interest under section 11(1) of the ^{M2}Compulsory Purchase Act 1965 or any bond under Schedule 3 to that Act or section 85 of the ^{M3}Lands Clauses Consolidation Act 1845.

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- (2) If the authority make a payment under section 52(1) above to any person on account of the compensation—
 - (a) they shall at the same time make a payment to that person of accrued interest, for the period beginning with the date of entry, on the amount by reference to which the payment under section 52(1) above was calculated; and
 - (b) the difference between the amount of the payment under section 52(1) above and the amount by reference to which it was calculated is an unpaid balance for the purposes of this section.
- (3) If the authority make a payment under section 52(4A) above to any person on account of the compensation, they shall at the same time make a payment to him of accrued interest, for the period beginning with the date of entry, on—
 - (a) the amount by reference to which the payment under section 52(4A) above was calculated; less
 - (b) the amount by reference to which the preceding payment under section 52(1) or (4A) above was calculated.
- (4) Where the authority make a payment under section 52(4A) above on account of the compensation, the difference between—
 - (a) the amount of the payment; and
 - (b) the amount by reference to which it was calculated less the amount by reference to which the preceding payment under section 52(1) or (4A) above was calculated,
 is an unpaid balance for the purposes of this section.
- (5) If, on an anniversary of the date on which the authority made a payment to any person under section 52(1) above on account of the compensation—
 - (a) the amount of accrued interest on the unpaid balance under subsection (2) above or, as the case may be,
 - (b) the aggregate amount of the accrued interest on any unpaid balances, exceeds £1,000, the authority shall make a payment to the claimant of the amount or aggregate amount.
- (6) The acquiring authority shall, on paying the outstanding compensation, pay the amount of the accrued interest on the unpaid balance under subsection (2) above or, as the case may be, the aggregate amount of the accrued interest on any unpaid balances.
- (7) For the purposes of subsections (5) and (6) above, interest accrues on any unpaid balance for the period beginning with—
 - (a) the making of the payment under section 52(1) or, as the case may be, 52(4A) above; or
 - (b) if any payment has already been made in respect of that balance under subsection (5) above, the date of the preceding payment under that subsection.
- (8) For the purposes of this section—
 - (a) interest accrues at the rate prescribed under section 32 of the ^{M4}Land Compensation Act 1961 or, in the case of a bond under section 85 of the ^{M5}Lands Clauses Consolidation Act 1845, at the rate specified in section 85; and

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- (b) the amount by reference to which a payment under section 52(1) or (4A) was calculated is the amount referred to in section 52(3)(a) or (b) for the purposes of that calculation.
- (9) Where any payment has been made under section 52(1) above on account of any compensation, the acquiring authority is not required to pay interest under section 11(1) of the ^{M6}Compulsory Purchase Act 1965 or any bond under Schedule 3 to that Act or under section 85 of the Lands Clauses Consolidation Act 1845.
- (10) Where the amount, or aggregate amount, of any payment under section 52 above made on the basis of the acquiring authority's estimate of the compensation is greater than the compensation as finally determined or agreed and, accordingly, the interest paid under this section is excessive, the excess shall be repaid.
- (11) If after any interest has been paid to any person under this section on any amount it is discovered that he was not entitled to the amount, the interest shall be recoverable by the acquiring authority.
- (12) The Secretary of State may from time to time by order substitute another sum for the sum specified in subsection (5) above; and the power to make orders under this subsection shall be exercisable by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament."

Modifications etc. (not altering text)

C1 [S. 63](#) restricted (9.9.1991) by [S.I. 1991/2067](#), art. 4, [Sch. 2 Pt. I para. 1](#)

Commencement Information

I1 [S. 63](#) wholly in force at 25.09.1991 see [s. 84\(2\)\(3\)](#) and [S.I. 1991/2067](#), [art. 3](#)

Marginal Citations

M1 [1973 c. 26](#).
M2 [1965 c. 56](#).
M3 [1845 c. 18](#).
M4 [1961 c. 33](#).
M5 [1845 c. 18](#).
M6 [1965 c. 56](#).

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