

SCHEDULES

SCHEDULE 8

POWERS IN RELATION TO LAND: COMPENSATION

PART 1

COMPENSATION IN CONNECTION WITH DIMINUTION IN VALUE OF INTEREST IN LAND

Interest subject to mortgage or heritable security

- 4 (1) Where an interest in land is subject to a mortgage or, in Scotland, to a heritable security—
- (a) any compensation payable under paragraph 1 or 2 is to be assessed as if the interest were not subject to the mortgage or heritable security;
 - (b) a claim for any such compensation may be made by the mortgagee of the interest or, in Scotland, by any creditor in the heritable security;
 - (c) a mortgagee or, in Scotland, a creditor in the heritable security is not entitled to claim compensation under paragraph 1 or 2 in respect of the person's interest as such;
 - (d) the compensation payable in respect of the interest subject to the mortgage or heritable security may be paid to whichever of the claimants the Secretary of State thinks proper, and is to be applied by that claimant in whatever way is—
 - (i) agreed by the parties interested, or
 - (ii) in default of agreement, determined by arbitration.
- (2) Sub-paragraph (1)(b) does not prevent the person entitled to the interest from making a claim for compensation.