



Town and Country Planning Act 1962

1962 CHAPTER 38 10 and 11 Eliz 2

PART VI

COMPENSATION FOR PLANNING DECISIONS RESTRICTING NEW DEVELOPMENT

Measure of compensation

106 General provisions as to amount of compensation

- (1) Where a person is entitled to compensation under this Part of this Act in respect of depreciation by a planning decision of the value of an interest in land, the amount of the compensation, subject to the following provisions of this section, shall be whichever is the lesser of the following amounts, that is to say.—
 - (a) the amount by which the value of that interest (if it is an interest subsisting only in land to which this section applies), or (if it is an interest extending to other land) the amount by which the value of the interest in so far as it subsists in land to which this section applies, is depreciated by the decision ; and
 - (b) the amount of the unexpended balance of established development value, immediately before the decision, of so much of the land in which the interest subsists as is land to which this section applies.
- (2) Land to which this section applies, in relation to a planning decision, is land which—
 - (a) constitutes or forms part of the decision area, and
 - (b) at the time of the decision has an unexpended balance of established development value.
- (3) If, in the case of any land to which this section applies, compensation is payable under this Part of this Act in respect of two or more interests in that land by reason of the same planning decision, and the aggregate amount of compensation payable apart from this subsection in respect of those interests would exceed the amount mentioned in paragraph (b) of subsection (1) of this section, the amount mentioned in that paragraph shall be allocated between those interests in proportion to the depreciation of the value of each of them respectively, and the amount of the compensation payable in respect of any of those interests shall be the sum so allocated to that interest.

*Status: This is the original version (as it was originally enacted). This
item of legislation is currently only available in its original format.*

(4) Where the land constituting the decision area, taken as a whole, does not satisfy both of the following conditions, that is to say.—

- (a) that at the time of the decision it has an unexpended balance of established development value, and
- (b) that every interest subsisting therein, the value of which is depreciated by the decision, subsists in the whole of that land,

the provisions of the next following subsection shall have effect for the purpose of assessing the compensation payable under this Part of this Act in respect of any interest subsisting in that land or any part thereof.

(5) Where this subsection applies in relation to an interest in land—

- (a) the depreciation of the value of the interest by the planning decision shall first be ascertained with reference to the whole of the land which constitutes or forms part of the decision area and is land in which that interest subsists;
- (b) the land referred to in the preceding paragraph shall then be treated as divided into as many parts as may be requisite to ensure that each such part consists of land which either satisfies both of the conditions mentioned in the last preceding subsection or is not land which, at the time of the decision, has an unexpended balance of established development value ; and
- (c) the depreciation of the value of the interest, ascertained in accordance with paragraph (a) of this subsection, shall then be apportioned between those parts, according to the nature of those parts and the effect of the planning decision in relation to each of them,

and the amount of the compensation shall be the aggregate of the amounts which would be payable by virtue of the preceding provisions of this section if the planning decision had been made separately with respect to each of those parts.

(6) In this section “the decision area ” in relation to a planning decision means the aggregate of the land to which the decision relates.