

SCHEDULE 5

Environmental permits

PART 2

Compensation in relation to conditions affecting certain interests in land

Assessment of the amount to be paid by way of compensation

25.—(1) The amount to be paid by way of compensation under this Part must be assessed in accordance with this paragraph.

(2) The rules set out in section 5 of the Land Compensation Act 1961⁽¹⁾ have effect for the purposes of this paragraph as they have effect for the purpose of assessing compensation for the compulsory acquisition of an interest in land, so far as applicable and subject to any necessary modifications.

(3) No account is to be taken of any enhancement of the value of an interest in land by reason of any building erected, work done, or improvement or alteration made on land in which the grantor is, or was at the time of erection, doing or making, directly or indirectly concerned if the erection of the building, the doing of the work, the making of the improvement or the alteration was not reasonably necessary and was undertaken with a view to obtaining compensation or increased compensation.

(4) In calculating the amount of a loss under paragraph 22(e), expenditure incurred in the preparation of plans or on other similar preparatory matters must be taken into account.

(5) Where the interest in respect of which compensation is to be assessed is subject to a mortgage—

- (a) the compensation must be assessed as if the interest were not subject to the mortgage; and
- (b) no compensation is payable in respect of the interest of the mortgagee (as distinct from the interest which is subject to the mortgage).

(6) Compensation must include an amount equal to the grantor's reasonable valuation and legal expenses.

(1) 1961 c. 33. Section 5 was amended by the Planning and Compensation Act 1991 (c. 34), sections 70 and 84, and Schedules 15 and 19.