

# Land Compensation Act 1961

1961 (9 and 10 Eliz. 2 C. 33)

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An Act to consolidate the Acquisition of Land (Assessment of Compensation) Act 1919, and certain other enactments relating to the assessment of compensation in respect of compulsory acquisitions of interests in land; to the withdrawal of notices to treat; and to the payment of additional compensation and of allowances in connection with such acquisitions or with certain sales by agreement of interests in land; with corrections and improvements made under the Consolidation of Enactments (Procedure) Act 1949.

[22nd June 1961]

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## Notes

- <sup>1</sup> Act extended by Land Compensation Act 1973 (c. 26), s. 72(5); modified by Local Government, Planning and Land Act 1980 (c. 65), s. 141, Sch. 27 paras. 9, 10, New Towns Act 1981 (c.64), ss. 14(2), 16(5), Sch. 6 Pt. II, Compulsory Purchase (Vesting Declarations) Act 1981 (c.66), s. 7(1)(a), Acquisition of Land Act 1981 (c.67), s. 4, Housing Act 1988 (c.50), s. 76(5)(6), Sch. 9 Pt. II para. 6, British Railways Act 1989 (c.iii), s. 26(3) and Town and Country Planning Act 1990 (c.8), ss. 28, 54, Sch. 2 Pt. I para. 1(2), Pt. II para. 1(2), Pt. III para. 2; applied with modifications by Water Resources Act 1963 (c. 38), s. 67(2), Sch. 8 paras. 12–14, Land Commission Act 1967 (c. 1), s. 10(1), Sch. 3 and Development of Rural Wales Act 1976 (c. 75), s. 5(1), Sch. 3 para. 30(1), Housing Act 1985 (c.68), s. 578 and Town and Country Planning Act 1990 (c.8), s. 165(3); Housing Act 1985 (c.68), ss. 295(3), 307, Housing Act 1988 (c.50), s. 78(2), Sch. 10 Pt. II para. 4(5), Town and Country Planning Act 1990 (c.8), s. 236(5) and Planning (Listed Buildings and Conservation Areas) Act 1990 (c.9), s. 51(5); amended by Local Government Act 1985 (c.51), s. 4, Sch. 1 Pt. I paras. 15(1), 18(2), Town and Country Planning Act 1990 (c.8), ss. 49, 54(1); excluded by British Railways (London) Act 1988 (c.xi), s. 19(3) and Planning (Listed Buildings and Conservation Areas) Act 1990 (c.9), s. 50(4)

## Extent

Preamble: England, Wales

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## PART I

### DETERMINATION OF QUESTIONS OF DISPUTED COMPENSATION

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**Notes**

- <sup>1</sup> Ss 6A-6E substituted for ss 6-9 by Neighbourhood Planning Act 2017 c. 20 Pt 2 c.2 s.32 (September 22, 2017: commenced by an amendment)
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✓ Law In Force

**[ 6A No-scheme principle**

(1) The no-scheme principle is to be applied when assessing the value of land in order to work out how much compensation should be paid by the acquiring authority for the compulsory acquisition of the land (see rule 2A in section 5).

(2) The no-scheme principle is the principle that—

- (a) any increase in the value of land caused by the scheme for which the authority acquires the land, or by the prospect of that scheme, is to be disregarded, and
- (b) any decrease in the value of land caused by that scheme or the prospect of that scheme is to be disregarded.

(3) In applying the no-scheme principle the following rules in particular (the “no-scheme rules”) are to be observed.

(4) Rule 1: it is to be assumed that the scheme was cancelled on the relevant valuation date.

(5) Rule 2: it is to be assumed that no action has been taken (including acquisition of any land, and any development or works) by the acquiring authority wholly or mainly for the purposes of the scheme.

(6) Rule 3: it is to be assumed that there is no prospect of the same scheme, or any other project to meet the same or substantially the same need, being carried out in the exercise of a statutory function or by the exercise of compulsory purchase powers.

(7) Rule 4: it is to be assumed that no other projects would have been carried out in the exercise of a statutory function or by the exercise of compulsory purchase powers if the scheme had been cancelled on the relevant valuation date.

(8) Rule 5: if there was a reduction in the value of land as a result of—

- (a) the prospect of the scheme (including before the scheme or the compulsory acquisition in question was authorised), or
- (b) the fact that the land was blighted land as a result of the scheme,

that reduction is to be disregarded.

(9) In this section—

“blighted land” means land of a description listed in Schedule 13 to the Town and Country Planning Act 1990;

“relevant valuation date” has the meaning given by section 5A.

(10) See also section 14 for assumptions to be made in respect of planning permission.

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**Notes**

- <sup>1</sup> Ss 6A-6E substituted for ss 6-9 by Neighbourhood Planning Act 2017 c. 20 Pt 2 c.2 s.32 (September 22, 2017: commenced by an amendment)

**Extent**

Pt II s. 6A(1)-(10): England, Wales

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✓ Law In Force

**[ 6B Lower compensation if other land gains value**

(1) This section applies where—

- (a) a person is entitled to compensation for the compulsory acquisition of land (the “original land”) for the purposes of a scheme,
- (b) on the date the notice to treat is served in respect of the original land, the person is entitled to an interest in other land (the “other land”) which is contiguous or adjacent to the original land,
- (c) the person is entitled to the interest in the other land in the same capacity as the person is entitled to the interest in the original land, and
- (d) the person's interest in the other land has increased in value as a result of the scheme.

(2) The amount of compensation to which the person is entitled in respect of the compulsory acquisition of the original land is to be reduced by the amount of the increase in the value of the person's interest in the other land as at the relevant valuation date (determined in accordance with section 5A).

(3) An amount by which the other land increases in value may not be set off against compensation payable to the person (for the original land or otherwise) in accordance with subsection (2) more than once.

(4) If the other land is subsequently subject to compulsory acquisition for the purposes of the scheme mentioned in subsection (1), the compensation to which the person is entitled for the other land includes the amount which was deducted from the person's compensation for the original land in accordance with subsection (2) (despite the noscheme principle).

(5) If part only of the other land is subject to compulsory acquisition, the compensation to which the person is entitled by virtue of subsection (4) is to be reduced accordingly.

(6) Subsections (4) and (5) apply in relation to a person (a “successor”) who derives title from the person mentioned in that subsection as if the original land had been acquired from the successor.

(7) This section does not apply in relation to compensation which is to be assessed in accordance with section 261 of the Highways Act 1980 (benefit to vendor to be taken into account in assessing compensation on certain compulsory acquisitions for highway purposes).

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