


**Extent**

Pt III s. 104(1)-(8): England, Wales

 Repealed**105.— [...]**<sup>1</sup>**Notes**<sup>1</sup> Repealed by Environment Act 1995 c. 25 Sch.24 para. (November 1, 1995 as SI 1995/2765) Law In Force With Amendments Pending**[ 106.— Planning obligations.**

(1) Any person interested in land in the area of a local planning authority may, by agreement or otherwise, enter into an obligation (referred to in this section and [ sections 106A to 106C ]<sup>2</sup> as “a planning obligation”), enforceable to the extent mentioned in subsection (3)—

- (a) restricting the development or use of the land in any specified way;
- (b) requiring specified operations or activities to be carried out in, on, under or over the land;
- (c) requiring the land to be used in any specified way; or
- (d) requiring a sum or sums to be paid to the authority [ (or, in a case where section 2E applies, to the Greater London Authority) ]<sup>3</sup> on a specified date or dates or periodically.

[ (1A) In the case of a development consent obligation, the reference to development in subsection (1)(a) includes anything that constitutes development for the purposes of the Planning Act 2008. ]<sup>4</sup>

(2) A planning obligation may—

- (a) be unconditional or subject to conditions;
- (b) impose any restriction or requirement mentioned in subsection (1)(a) to (c) either indefinitely or for such period or periods as may be specified; and
- (c) if it requires a sum or sums to be paid, require the payment of a specified amount or an amount determined in accordance with the instrument by which the obligation is entered into and, if it requires the payment of periodical sums, require them to be paid indefinitely or for a specified period.

(3) Subject to subsection (4) a planning obligation is enforceable by the authority identified in accordance with subsection (9)(d)—

- (a) against the person entering into the obligation; and
- (b) against any person deriving title from that person.

(4) The instrument by which a planning obligation is entered into may provide that a person shall not be bound by the obligation in respect of any period during which he no longer has an interest in the land.

(5) A restriction or requirement imposed under a planning obligation is enforceable by injunction.

(6) Without prejudice to subsection (5), if there is a breach of a requirement in a planning obligation to carry out any operations in, on, under or over the land to which the obligation relates, the authority by whom the obligation is enforceable may—

- (a) enter the land and carry out the operations; and
- (b) recover from the person or persons against whom the obligation is enforceable any expenses reasonably incurred by them in doing so.

(7) Before an authority exercise their power under subsection (6)(a) they shall give not less than twenty-one days' notice of their intention to do so to any person against whom the planning obligation is enforceable.

(8) Any person who wilfully obstructs a person acting in the exercise of a power under subsection (6)(a) shall be guilty of an offence and liable on summary conviction to a fine not exceeding level 3 on the standard scale.

(9) A planning obligation may not be entered into except by an instrument executed as a deed which—

- (a) states that the obligation is a planning obligation for the purposes of this section; [ (aa) if the obligation is a development consent obligation, contains a statement to that effect; ]<sup>5</sup>
- (b) identifies the land in which the person entering into the obligation is interested;
- (c) identifies the person entering into the obligation and states what his interest in the land is; and
- (d) identifies the local planning authority by whom the obligation is enforceable [ and, in a case where section 2E applies, identifies the Mayor of London as an authority by whom the obligation is also enforceable ]<sup>6</sup> .

(10) A copy of any such instrument shall be given to the [ local planning authority so identified and, in a case where section 2E applies, to the Mayor of London ]<sup>7</sup> .

(11) A planning obligation shall be a local land charge and for the purposes of the Local Land Charges Act 1975 the authority by whom the obligation is enforceable shall be treated as the originating authority as respects such a charge.

(12) Regulations may provide for the charging on the land of—

- (a) any sum or sums required to be paid under a planning obligation; and
- (b) any expenses recoverable by a local planning authority [ or the Mayor of London ]<sup>8</sup> under subsection (6)(b),

and this section and sections 106A [ to 106BC ]<sup>9</sup> shall have effect subject to any such regulations.

(13) In this section “specified” means specified in the instrument by which the planning obligation is entered into and in this section and section 106A “land” has the same meaning as in the Local Land Charges Act 1975.

[ (14) In this section and section 106A “development consent obligation” means a planning obligation entered into in connection with an application (or a proposed application) for an order granting development consent. ]<sup>10</sup>

] <sup>1</sup>

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#### Notes

<sup>1</sup> Substituted by Planning and Compensation Act 1991 c. 34 Pt I s.12(1) (October 25, 1991 as SI 1991/2272)

- <sup>2</sup> Words substituted by Growth and Infrastructure Act 2013 c. 27 Sch.2 para.3(2) (April 25, 2013: substitution applies in relation to planning obligations within the meaning of 1990 c.8 s.106 entered into before (as well as after) the coming into force of 2013 c.27 s.7)
- <sup>3</sup> Words inserted by Greater London Authority Act 2007 c. 24 Pt 7 s.33(2) (April 6, 2008)
- <sup>4</sup> Added by Planning Act 2008 c. 29 Pt 9 c.1 s.174(2)(a) (March 1, 2010)
- <sup>5</sup> Added by Planning Act 2008 c. 29 Pt 9 c.1 s.174(2)(b) (March 1, 2010)
- <sup>6</sup> Words inserted by Greater London Authority Act 2007 c. 24 Pt 7 s.33(3) (April 6, 2008)
- <sup>7</sup> Words substituted by Greater London Authority Act 2007 c. 24 Pt 7 s.33(4) (April 6, 2008)
- <sup>8</sup> Words inserted by Greater London Authority Act 2007 c. 24 Pt 7 s.33(5) (April 6, 2008)
- <sup>9</sup> Words substituted by Growth and Infrastructure Act 2013 c. 27 Sch.2 para.3(3) (April 25, 2013: substitution applies in relation to planning obligations within the meaning of 1990 c.8 s.106 entered into before (as well as after) the coming into force of 2013 c.27 s.7)
- <sup>10</sup> Added by Planning Act 2008 c. 29 Pt 9 c.1 s.174(2)(c) (March 1, 2010)

### Amendments Pending

Pt III s. 106: repealed by Planning and Compulsory Purchase Act 2004 c. 5 Sch. 9 para. 1 (Not yet in force: repeal came into force on August 6, 2004 as SI 2004/2097 for the purpose of the making of or making provision for secondary legislation; not yet in force otherwise)

Pt III s. 106(1): words substituted by Housing and Planning Act 2016 c. 22, Pt 6 s. 158(3) (date to be appointed)

Pt III s. 106(1): words inserted by Environment Act 2021 c. 30, Sch. 14(2) para. 3(13) (date to be appointed)

### Proposed Draft Amendments

Pt III s. 106(1B): added by Infrastructure (Wales) Bill [as introduced] (GB/10/2023) Pt 6 s. 95(2)(a) (Stage 1: Committee considerations of general principles, September 25, 2023) (date to be appointed)

Pt III s. 106(9)(ab): added by Infrastructure (Wales) Bill [as introduced] (GB/10/2023) Pt 6 s. 95(2)(b) (Stage 1: Committee considerations of general principles, September 25, 2023) (date to be appointed)

Pt III s. 106(15): added by Infrastructure (Wales) Bill [as introduced] (GB/10/2023) Pt 6 s. 95(2)(c) (Stage 1: Committee considerations of general principles, September 25, 2023) (date to be appointed)

### Commencement

Pt III s. 106: August 24, 1990 (1990 c. 8 Pt XV s. 337(2))

### Extent

Pt III s. 106(1)-(14): England, Wales



Not Yet In Force With Amendments Pending

## [ 106ZA Resolution of disputes about planning obligations

Schedule 9A (resolution of disputes about planning obligations) has effect. ]<sup>1</sup>

### Notes

- <sup>1</sup> Added by Housing and Planning Act 2016 c. 22 Pt 6 s.158(1) (date to be appointed)


**Amendments Pending**

Pt III s. 106ZA: repealed by Planning and Compulsory Purchase Act 2004 c. 5 Sch. 9 para. 1 (Not yet in force: repeal came into force on August 6, 2004 as SI 2004/2097 for the purpose of the making of or making provision for secondary legislation; not yet in force otherwise)

**Extent**

Pt III s. 106ZA: England, Wales

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 Not Yet In Force With Amendments Pending

**[ 106ZB Enforceability of planning obligations regarding affordable housing**

(1) Regulations made by the Secretary of State may impose restrictions or conditions on the enforceability of planning obligations entered into with regard to the provision of—

- (a) affordable housing, or
- (b) prescribed descriptions of affordable housing.

(2) Regulations under this section—

- (a) may make consequential, supplementary, incidental, transitional or saving provision;
- (b) may impose different restrictions or conditions (or none) depending on the size, scale or nature of the site or the proposed development to which any planning obligations would relate.

Paragraph (b) is without prejudice to the generality of section 333(2A).

(3) This section does not apply in relation to a planning obligation if—

- (a) planning permission for the development was granted wholly or partly on the basis of a policy for the provision of housing on rural exception sites, or
- (b) the obligation relates to development in a National Park or in an area designated under section 82 of the Countryside and Rights of Way Act 2000 as an area of outstanding natural beauty.

(4) In this section “affordable housing” means new dwellings in England that—

- (a) are to be made available for people whose needs are not adequately served by the commercial housing market, or
- (b) are starter homes within the meaning of Chapter 1 of Part 1 of the Housing and Planning Act 2016 (see section 2 of that Act).

(5) “New dwelling” here means a building or part of a building that—

- (a) has been constructed for use as a dwelling and has not previously been occupied, or
- (b) has been adapted for use as a dwelling and has not been occupied since its adaptation.

(6) The Secretary of State may by regulations amend this section so as to modify the definition of “affordable housing”.

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**Notes**

<sup>1</sup> Added by Housing and Planning Act 2016 c. 22 Pt 6 s.159(1) (date to be appointed)

**Amendments Pending**

Pt III s. 106ZB: repealed by Planning and Compulsory Purchase Act 2004 c. 5 Sch. 9 para. 1 (Not yet in force: repeal came into force on August 6, 2004 as SI 2004/2097 for the purpose of the making of or making provision for secondary legislation; not yet in force otherwise)

**Proposed Draft Amendments**

Pt III s. 106ZB(2)(a): repealed by Levelling-up and Regeneration Bill 2022-23 (HL Bill 142) Pt 3 c. 6 s. 124(3)(b) (Lords' Report Stage, July 11, 2023) (Not yet in force)

**Extent**

Pt III s. 106ZB(1)-(6): England, Wales



Law In Force With Amendments Pending

**[ 106A.— Modification and discharge of planning obligations.**

- (1) A planning obligation may not be modified or discharged except—
- (a) by agreement between [the appropriate authority (see subsection (11))] <sup>2</sup> and the person or persons against whom the obligation is enforceable; or
  - (b) in accordance with [—] <sup>3</sup>
    - [(i) this section and section 106B [, or] <sup>4</sup>] <sup>3</sup>
    - [(ii) sections 106BA and 106BC.] <sup>4</sup>
- (2) An agreement falling within subsection (1)(a) shall not be entered into except by an instrument executed as a deed.
- (3) A person against whom a planning obligation is enforceable may, at any time after the expiry of the relevant period, apply to [the appropriate authority] <sup>5</sup> for the obligation—
- (a) to have effect subject to such modifications as may be specified in the application; or
  - (b) to be discharged.
- (4) In subsection (3) “the relevant period” means —
- (a) such period as may be prescribed; or
  - (b) if no period is prescribed, the period of five years beginning with the date on which the obligation is entered into.
- (5) An application under subsection (3) for the modification of a planning obligation may not specify a modification imposing an obligation on any other person against whom the obligation is enforceable.
- (6) Where an application is made to an authority under subsection (3), the authority may determine—
- (a) that the planning obligation shall continue to have effect without modification;
  - (b) if the obligation no longer serves a useful purpose, that it shall be discharged; or
  - (c) if the obligation continues to serve a useful purpose, but would serve that purpose equally well if it had effect subject to the modifications specified in the application, that it shall have effect subject to those modifications.
- (7) The authority shall give notice of their determination to the applicant within such period as may be prescribed.

(8) Where an authority determine [ under this section ]<sup>6</sup> that a planning obligation shall have effect subject to modifications specified in the application, the obligation as modified shall be enforceable as if it had been entered into on the date on which notice of the determination was given to the applicant.

(9) Regulations may make provision with respect to—

- (a) the form and content of applications under subsection (3);
- (b) the publication of notices of such applications;
- (c) the procedures for considering any representations made with respect to such applications; and
- (d) the notices to be given to applicants of determinations under subsection (6).

(10) Section 84 of the Law of Property Act 1925 (power to discharge or modify restrictive covenants affecting land) does not apply to a planning obligation.

[(11) In this section “the appropriate authority” means—

- (a) the Mayor of London, in the case of any planning obligation enforceable by him;
- [(aa) the Secretary of State, in the case of any development consent obligation [...]<sup>9</sup> ;
- (ab) [...]<sup>10</sup>

] <sup>8</sup>

- (b) in the case of any other planning obligation, the local planning authority by whom it is enforceable.

(12) The Mayor of London must consult the local planning authority before exercising any function under this section. ] <sup>7</sup>

] <sup>1</sup>

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#### Notes

<sup>1</sup> Ss 106-106B substituted for s.106 by Planning and Compensation Act 1991 c. 34 Pt I s.12(1) (November 25, 1991: substitution has effect on November 25, 1991 for purposes specified in SI 1991/2728 art.2 and November 9, 1992 for purposes specified in SI 1992/2831 art.2)

<sup>2</sup> Words substituted by Greater London Authority Act 2007 c. 24 Pt 7 s.34(2) (April 6, 2008)

<sup>3</sup> Words inserted by Growth and Infrastructure Act 2013 c. 27 Sch.2 para.4(2)(a) (April 25, 2013: insertion applies in relation to planning obligations within the meaning of 1990 c.8 s.106 entered into before (as well as after) the coming into force of 2013 c.27 s.7)

<sup>4</sup> Words inserted by Growth and Infrastructure Act 2013 c. 27 Sch.2 para.4(2)(b) (April 25, 2013: substitution applies in relation to planning obligations within the meaning of 1990 c.8 s.106 entered into before (as well as after) the coming into force of 2013 c.27 s.7)

<sup>5</sup> Words substituted by Greater London Authority Act 2007 c. 24 Pt 7 s.34(3) (April 6, 2008)

<sup>6</sup> Words inserted by Growth and Infrastructure Act 2013 c. 27 Sch.2 para.4(3) (April 25, 2013: insertion applies in relation to planning obligations within the meaning of 1990 c.8 s.106 entered into before (as well as after) the coming into force of 2013 c.27 s.7)

<sup>7</sup> Added by Greater London Authority Act 2007 c. 24 Pt 7 s.34(4) (April 6, 2008)

<sup>8</sup> Added by Planning Act 2008 c. 29 Pt 9 c.1 s.174(3) (March 1, 2010)

<sup>9</sup> Words repealed by Localism Act 2011 c. 20 Sch.25(20) para.1 (April 1, 2012)

<sup>10</sup> Repealed by Localism Act 2011 c. 20 Sch.25(20) para.1 (April 1, 2012)

#### Amendments Pending

Pt III s. 106A: repealed by Planning and Compulsory Purchase Act 2004 c. 5 Sch. 9 para. 1 (Not yet in force: repeal came into force on August 6, 2004 as SI 2004/2097 for the purpose of the making of or making provision for secondary legislation; not yet in force otherwise)

Pt III s. 106A(6A): added by Environment Act 2021 c. 30, Sch. 14(2) para. 3(14) (date to be appointed)

### Proposed Draft Amendments

Pt III s. 106A(9A): added by Levelling-up and Regeneration Bill 2022-23 (HL Bill 142) Pt 3 c. 6 s. 119 (Lords' Report Stage, July 11, 2023) (Not yet in force)

Pt III s. 106A(11)(zaa): added by Infrastructure (Wales) Bill [as introduced] (GB/10/2023) Pt 6 s. 95(3) (Stage 1: Committee considerations of general principles, September 25, 2023) (date to be appointed)

### Extent

Pt III s. 106A(1)-(12): England, Wales



Law In Force With Amendments Pending

### **[ 106B.— Appeals [ in relation to applications under section 106A ]<sup>2</sup> .**

(1) Where [ an authority ]<sup>3</sup> [ (other than the Secretary of State [...] ) ]<sup>4</sup> —

(a) fail to give notice as mentioned in section 106A(7); or

(b) determine [ under section 106A ]<sup>6</sup> that a planning obligation shall continue to have effect without modification,

the applicant may appeal to the Secretary of State.

(2) For the purposes of an appeal under subsection (1)(a), it shall be assumed that the authority have determined that the planning obligation shall continue to have effect without modification.

(3) An appeal under this section shall be made by notice served within such period and in such manner as may be prescribed.

(4) Subsections (6) to (9) of section 106A apply in relation to appeals to the Secretary of State under this section as they apply in relation to applications to authorities under that section.

(5) Before determining the appeal the Secretary of State shall, if either the applicant or the authority so wish, give each of them an opportunity of appearing before and being heard by a person appointed by the Secretary of State for the purpose.

(6) The determination of an appeal by the Secretary of State under this section shall be final.

(7) Schedule 6 applies to appeals under this section.

[ (8) In the application of Schedule 6 to an appeal under this section in a case where the authority mentioned in subsection (1) is the Mayor of London, references in that Schedule to the local planning authority are references to the Mayor of London. ]<sup>7</sup>

] <sup>1</sup>

### Notes

<sup>1</sup> Ss 106-106B substituted for s.106 by Planning and Compensation Act 1991 c. 34 Pt I s.12(1) (November 25, 1991: substitution has effect on November 25, 1991 for purposes specified in SI 1991/2728 art.2 and November 9, 1992 for purposes specified in SI 1992/2831 art.2)

<sup>2</sup> Words inserted by Growth and Infrastructure Act 2013 c. 27 Sch.2 para.5(2) (April 25, 2013: insertion applies in relation to planning obligations within the meaning of 1990 c.8 s.106 entered into before (as well as after) the coming into force of 2013 c.27 s.7)

<sup>3</sup> Words substituted by Greater London Authority Act 2007 c. 24 Pt 7 s.34(6) (April 6, 2008)

- <sup>4</sup> Words inserted by Planning Act 2008 c. 29 Pt 9 c.1 s.174(4) (March 1, 2010)
- <sup>5</sup> Words repealed by Localism Act 2011 c. 20 Sch.25(20) para.1 (April 1, 2012)
- <sup>6</sup> Words inserted by Growth and Infrastructure Act 2013 c. 27 Sch.2 para.5(3) (April 25, 2013: insertion applies in relation to planning obligations within the meaning of 1990 c.8 s.106 entered into before (as well as after) the coming into force of 2013 c.27 s.7)
- <sup>7</sup> Added by Greater London Authority Act 2007 c. 24 Pt 7 s.34(7) (April 6, 2008)

### Amendments Pending

Pt III s. 106B: repealed by Planning and Compulsory Purchase Act 2004 c. 5 Sch. 9 para. 1 (Not yet in force: repeal came into force on August 6, 2004 as SI 2004/2097 for the purpose of the making of or making provision for secondary legislation; not yet in force otherwise)

### Proposed Draft Amendments

Pt III s. 106B(1): words inserted by Infrastructure (Wales) Bill [as introduced] (GB/10/2023) Pt 6 s. 95(4) (Stage 1: Committee considerations of general principles, September 25, 2023) (date to be appointed)

### Extent

Pt III s. 106B(1)-(8): England, Wales

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 Repealed

### 106BA [...]¹

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#### Notes

- <sup>1</sup> Repealed by Growth and Infrastructure Act 2013 c. 27 s.7(4) (April 30, 2016: repeal has effect from the end of April 30, 2016)
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 Repealed

### 106BB [...]¹

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#### Notes

- <sup>1</sup> Repealed by Growth and Infrastructure Act 2013 c. 27 s.7(4) (April 30, 2016: repeal has effect from the end of April 30, 2016)
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 Repealed

### 106BC [...]¹

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#### Notes

- <sup>1</sup> Repealed by Growth and Infrastructure Act 2013 c. 27 s.7(4) (April 30, 2016: repeal has effect from the end of April 30, 2016)
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✓ Law In Force

### **[ 106C Legal challenges relating to development consent obligations**

(1) A court may entertain proceedings for questioning a failure by the Secretary of State [...] <sup>2</sup> to give notice as mentioned in [ section 106A(7) or 106BA(9) ] <sup>3</sup> only if—

(a) the proceedings are brought by a claim for judicial review, and

(b) the claim form is filed [ before the end of ] <sup>4</sup> the period of 6 weeks beginning with [ the day after ] <sup>5</sup> the day on which the period prescribed under [ section 106A(7) or 106BA(9) ] <sup>3</sup> ends.

[(1A) If no period is prescribed under section 106BA(9), the period of 6 weeks referred to in subsection (1)(b) that applies in relation to proceedings for failure to give notice as mentioned in subsection (9) of section 106BA begins with [ the day after ] <sup>7</sup> the expiry of the period mentioned in that subsection that applies in the applicant's case. ] <sup>6</sup>

(2) A court may entertain proceedings for questioning a determination by the Secretary of State [...] <sup>2</sup> that a planning obligation shall continue to have effect without modification only if—

(a) the proceedings are brought by a claim for judicial review, and

(b) the claim form is filed [ before the end of ] <sup>8</sup> the period of 6 weeks beginning with [ the day after ] <sup>9</sup> the day on which notice of the determination is given under [ section 106A(7) or 106BA(9) ] <sup>10</sup>.

[(3) A court may entertain proceedings for questioning a determination by the Secretary of State on an application under section 106BA that a planning obligation shall be modified otherwise than in accordance with the application only if—

(a) the proceedings are brought by a claim for judicial review, and

(b) the claim form is filed [ before the end of ] <sup>8</sup> the period of 6 weeks beginning with [ the day after ] <sup>9</sup> the day on which notice of the determination is given under section 106BA(9).

] <sup>11</sup>  
] <sup>1</sup>

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#### **Notes**

<sup>1</sup> Added by Planning Act 2008 c. 29 Pt 9 c.1 s.174(5) (March 1, 2010)

<sup>2</sup> Words repealed by Localism Act 2011 c. 20 Sch.25(20) para.1 (April 1, 2012)

<sup>3</sup> Words inserted by Growth and Infrastructure Act 2013 c. 27 Sch.2 para.6(2) (April 25, 2013: substitution applies in relation to planning obligations within the meaning of 1990 c.8 s.106 entered into before (as well as after) the coming into force of 2013 c.27 s.7)

<sup>4</sup> Word substituted by Criminal Justice and Courts Act 2015 c. 2 Pt 4 s.92(2)(a)(i) (April 13, 2015)

<sup>5</sup> Words inserted by Criminal Justice and Courts Act 2015 c. 2 Pt 4 s.92(2)(a)(ii) (April 13, 2015)

<sup>6</sup> Added by Growth and Infrastructure Act 2013 c. 27 Sch.2 para.6(3) (April 25, 2013: substitution applies in relation to planning obligations within the meaning of 1990 c.8 s.106 entered into before (as well as after) the coming into force of 2013 c.27 s.7)

<sup>7</sup> Words inserted by Criminal Justice and Courts Act 2015 c. 2 Pt 4 s.92(2)(b) (April 13, 2015)

<sup>8</sup> Word substituted by Criminal Justice and Courts Act 2015 c. 2 Pt 4 s.92(2)(c)(i) (April 13, 2015)

<sup>9</sup> Words inserted by Criminal Justice and Courts Act 2015 c. 2 Pt 4 s.92(2)(c)(ii) (April 13, 2015)

<sup>10</sup> Words inserted by Growth and Infrastructure Act 2013 c. 27 Sch.2 para.6(4) (April 25, 2013: insertion applies in relation to planning obligations within the meaning of 1990 c.8 s.106 entered into before (as well as after) the coming into force of 2013 c.27 s.7)

- <sup>11</sup> Added by Growth and Infrastructure Act 2013 c. 27 Sch.2 para.6(5) (April 25, 2013: insertion applies in relation to planning obligations within the meaning of 1990 c.8 s.106 entered into before (as well as after) the coming into force of 2013 c.27 s.7)

### Extent

Pt III s. 106C(1)-(3)(b): England, Wales

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## PART IV

### COMPENSATION FOR EFFECTS OF CERTAIN ORDERS, NOTICES, ETC.

*Compensation for revocation of planning permission, etc.*

✓ Law In Force

#### **107.— Compensation where planning permission [ or permission in principle ]<sup>1</sup> revoked or modified.**

(1) Subject to section 116 , where planning permission [ or permission in principle ]<sup>2</sup> is revoked or modified by an order under [ section 97(1)(a) ]<sup>3</sup> , then if, on a claim made to the local planning authority within the prescribed time and in the prescribed manner, it is shown that a person interested in the land or in minerals in, on or under it—

- (a) has incurred expenditure in carrying out work which is rendered abortive by the revocation or modification; or
- (b) has otherwise sustained loss or damage which is directly attributable to the revocation or modification,

the local planning authority shall pay that person compensation in respect of that expenditure, loss or damage.

(2) For the purposes of [ subsection (1) ]<sup>4</sup> , any expenditure incurred in the preparation of plans for the purposes of any work, or upon other similar matters preparatory to it, shall be taken to be included in the expenditure incurred in carrying out that work.

(3) Subject to subsection (2), no compensation shall be paid under [ subsection (1) ]<sup>4</sup> in respect—

- (a) of any work carried out before the grant of the permission which is revoked or modified, or
- (b) of any other loss or damage arising out of anything done or omitted to be done before the grant of that permission (other than loss or damage consisting of depreciation of the value of an interest in land).

(4) In calculating for the purposes of [ subsection (1) ]<sup>5</sup> the amount of any loss or damage [ that is attributable to the revocation or modification of planning permission and consists ]<sup>6</sup> of depreciation of the value of an interest in land, it shall be assumed that planning permission would be granted [...]<sup>7</sup>