

Guidance

Compulsory purchase and compensation: guide 1 - procedure

Guidance explaining why compulsory purchase orders are made, and what people's rights are to challenge them.

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Introduction

Overview

- 1. Compulsory purchase is a legal mechanism by which certain bodies (known as 'acquiring authorities') can acquire land without the consent of the owner. Compulsory purchase powers can support the delivery of a range of development, regeneration and infrastructure projects in the public interest. In doing so, they can help to bring about improvements to social, economic and environmental wellbeing.
- 2. Although compulsory purchase powers can help to deliver positive change, the government recognises that it can be upsetting and stressful to discover that land which you own or occupy is to be compulsorily acquired. Furthermore, the law and procedures relating to compulsory purchase are complex, which can be daunting. These plain English guides are intended to help those affected by compulsory purchase by explaining how the system works in simple terms. The guides reflect legislative changes up to and including the Neighbourhood Planning Act 2017.
- 3. This guide, the first of a series of 4, provides an end-to-end overview of the compulsory purchase order (CPO) process and is aimed at people potentially affected by a CPO in England and Wales. It outlines the procedures which acquiring authorities must go through to use their powers and explains what opportunities those affected have to influence the outcome. The guide reflects legislative changes in effect on the date of publication of this guide.
- 4. This series of guides deals primarily with CPOs which follow the procedures set out in the Acquisition of Land Act 1981. Depending on the type of project that is being promoted, compulsory purchase powers may be granted through other legal instruments and there are separate sources of guidance on the procedures for those. The most commonly used are:
- orders under the Transport and Works Act 1992 authorising the construction and operation of guided transport projects (e.g. railways, tramways) – see <u>guidance on Transport and Works Act orders</u>
 (https://www.gov.uk/government/publications/transport-and-works-act-orders-a-brief-guide-2006)
- development consent orders under the Planning Act 2008 authorising
 the construction and operation of nationally significant infrastructure
 projects see guidance on the National Infrastructure Planning process
 (https://infrastructure.planninginspectorate.gov.uk/application-process/the-process/) and guidance on procedures for the compulsory acquisition of
 land (https://www.gov.uk/government/publications/planning-act-2008-procedures-for-the-compulsory-acquisition-of-land)
- Hybrid Acts of Parliament authorising major infrastructure projects, such as HS2 and Crossrail – each project will have its own specific guidance but see <u>general guidance on Hybrid Acts</u> (https://www.parliament.uk/about/how/laws/bills/hybrid)

- 5. While there are some specific differences between each process, there are important procedural elements which apply to all cases including the right to object and the ability to challenge decisions. Furthermore, the same statutory rights to compensation apply regardless of which process is used. The procedures for implementing compulsory purchase powers (if approved), which are covered in the section of this guide entitled Possession and acquisition, are also applicable to all types of process.
- 6. If you think you may be affected by compulsory purchase through a CPO, you should read this guide first. Subsequent guides explain what compensation affected owners and occupiers are entitled to and how it is assessed. There are separate guides explaining compensation available to:
- <u>business owners and occupiers (Guide 2)</u> (https://www.gov.uk/guidance/compulsory-purchase-and-compensation-guide-2-compensation-to-business-owners-and-occupiers)
- <u>agricultural owners and occupiers (Guide 3)</u> (https://www.gov.uk/guidance/compulsory-purchase-and-compensation-guide-3-compensation-to-agricultural-owners-and-occupiers)
- <u>residential owners and occupiers (Guide 4)</u> (https://www.gov.uk/guidance/compulsory-purchase-and-compensation-guide-4-compensation-to-residential-owners-and-occupiers)
- 7. These guides are aimed at the layperson and, wherever possible, the use of jargon and technical language has been avoided. There are, however, a number of important terms which have specific meaning in compulsory purchase matters. These words and expressions are explained within Appendix 1 of each guide. There are also a number of bodies and organisations who may be able to offer their advice if you are affected by compulsory purchase. A list of useful contact names, addresses and telephone numbers is set out in Appendix 2 of each guide.

Key points to note

Professional advice

8. These guides are intended to help affected parties to understand the basics of the CPO process but cannot cover every circumstance that may arise. The information they contain carries no legal force and does not constitute legal advice. The guides are not a substitute for professional advice. If you think your land may be the subject of compulsory purchase you should seek advice from a suitably experienced property adviser such as a chartered surveyor, an agricultural valuer or a solicitor, who should be able to advise on your

rights and also act on your behalf if appropriate. It is best to seek professional help as early as possible.

- 9. When choosing a professional adviser you may wish to consider the following points:
- can they demonstrate experience in advising people with your type of business/property who have been affected by compulsory purchase?
- are they bound by professional standards in the way they undertake their work? The Royal Institution of Chartered Surveyors has a <u>Professional</u> <u>Statement outlining the standards which its members must follow in</u> <u>advising on compulsory purchase (https://www.rics.org/uk/upholding-professional-standards/sector-standards/land/surveyors-advising-in-respect-of-compulsory-purchase-and-statutory-compensation-uk/)
 </u>
- have they been clear about the basis for the fees that will be charged?
- have they been clear about circumstances where their fees may be recoverable from the acquiring authority and when?
- 10. Firms who offer compulsory purchase as a surveying service and who offer 30 minutes of free advice on the subject can be found under the Find a Surveyor service (https://www.ricsfirms.com/helplines/compulsory-purchase/) offered by the Royal Institution of Chartered Surveyors.
- 11. For rural land, the <u>Central Association of Agricultural Valuers</u> (https://www.caav.org.uk/) (tel: 01452 831815) may be able to provide contact details for suitably experienced agricultural valuers in your area.

Can I recover the costs of employing a professional adviser?

Any costs associated with objecting to a CPO – including professional fees incurred in pursuing the objection – need to be met by you as the objector. However, if you are a remaining objector whose objection is sustained, such that the CPO was not confirmed or your land is excluded from the CPO, then you are entitled to seek an award of reasonable costs once the confirming authority's decision is issued. Such an award will normally be made unless there are exceptional reasons for not doing so. If you are partially successful in objecting i.e. part of your land may be excluded from the CPO you will be awarded your reasonable costs that relate to that part of your objection.

If a CPO is confirmed and implemented reasonable professional fees incurred in preparing and negotiating your claim for compensation can generally be reclaimed from the acquiring authority (see guides 2, 3 and 4 (https://www.gov.uk/government/collections/compulsory-purchase-system-guidance)).

Comprehensive records

12. It is important that you keep a comprehensive record of all communications with the acquiring authority, including notes of any meetings. You should also keep detailed records of all expenses incurred and losses sustained as you may be able to recover these as part of your claim for compensation. You should bear in mind that you can only receive compensation for expenses and losses which occur as a direct and reasonable consequence of the acquisition of your land. You may also wish to keep a record of the condition and state of your land.

Duty to mitigate your loss

13. Those affected by compulsory purchase are under a duty to 'mitigate losses'. This means that **you need to take reasonable steps to eliminate or reduce your losses**. For example, if you need to employ a removals firm to assist with your move, you should obtain quotes from at least 2 reputable firms. Assuming the firms all offer the same service, instructing the cheapest would be a way of mitigating your loss.

Outline of Procedure

- 14. Acts of Parliament define which bodies have compulsory purchase powers and specify the purposes for which they can acquire land. However, these are effectively 'in principle' powers: they do not, by themselves, allow an acquiring authority to purchase specific land compulsorily. To make use of their powers, acquiring authorities need to first make a CPO which must be 'confirmed' (i.e. approved) by the 'confirming authority' who is either:
- the relevant government minister (the confirmation of CPOs located in Wales is the responsibility of Welsh ministers); or
- an inspector appointed by the relevant minister to take the decision on their behalf ('delegated cases').
 - 15. The CPO process is made up of several stages, which are set out in Diagram 1 below. The remainder of this guide is structured according to those stages. It should be noted that the length of the process may vary significantly. There may be a considerable amount of time (sometimes several years) between you becoming aware of a proposal to acquire your land and the acquiring authority subsequently taking possession of it.

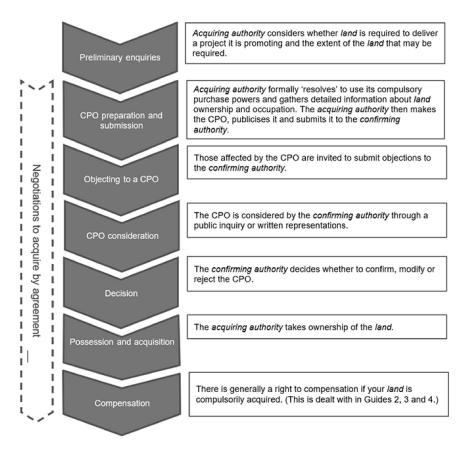


Diagram 1: Outline of the compulsory purchase process

Diagram 1 - Outline of the Compulsory Purchase process - plain text version

Preliminary enquiries

Acquiring authority considers whether land is required to deliver a project it is promoting and the extent of the land that may be required.

Negotiations to acquire by agreement

CPO preparation and submission

Acquiring authority formally 'resolves' to use its compulsory purchase powers and gathers detailed information about land ownership and occupation. The acquiring authority then makes the CPO, publicises it and submits it to the confirming authority.

Objecting to a CPO

Those affected by the CPO are invited to submit objections to the confirming authority.

CPO consideration

The CPO is considered by the confirming authority through a public inquiry or written representations.

Decision

The confirming authority decides whether to confirm, modify or reject

the CPO.

Possession and acquisition

The acquiring authority takes ownership of the land.

Compensation

There is generally a right to compensation if your land is compulsorily acquired. (This is dealt with in <u>guides 2, 3 and 4</u> (https://www.gov.uk/government/collections/compulsory-purchase-system-guidance).)

Statutory Blight

- 16. The prospect of a CPO may cause uncertainty which may reduce the value of your land. In certain circumstances, as set out in Schedule 13 to the Town and Country Planning Act 1990, it may be possible for affected owners to bring forward the date of acquisition by serving a 'blight notice' on the acquiring authority. If accepted, the effect of a blight notice is to require the acquiring authority to purchase your land earlier than it was intending to do so. You do not necessarily need to wait until a CPO has been confirmed before you can serve a blight notice it can be served at an earlier stage in some instances. Further information on the blight provisions is included in the Possession and acquisition section of this guide.
- 17. Your professional adviser will be able to advise whether the blight provisions are relevant in your particular case.

Compensation

18. The overriding principle of compulsory purchase compensation is 'equivalence'. This is the principle that people whose land is acquired compulsorily (or under the threat of compulsory purchase) should be left neither better nor worse off financially as a result of their land being acquired – being entitled to compensation which is neither more nor less than the value of their loss. As well as compensation for the market value of any land taken, additional compensation may be payable – for example, occupiers of residential properties may also be entitled to a statutory home loss payment. Guidance on compensation entitlement is set out in guides 2, 3 and 4 (https://www.gov.uk/government/collections/compulsory-purchase-systemguidance).

Preliminary enquiries

19. A wide range of organisations have compulsory purchase powers, which can be used to help facilitate a variety of different projects. For example, local councils can use their powers to support housing and planning projects, transport bodies can use them for new or improved road and rail links and statutory undertakers can use them for utilities infrastructure.

- 20. When an acquiring authority starts drawing up plans for a particular scheme (e.g. a new road, regeneration project etc), it will need to consider whether any land needs to be acquired in order to deliver its proposals. To determine the extent of the land that is required, the acquiring authority may visit and inspect any land which may be affected by its proposed scheme.
- 21. An acquiring authority may consult on its proposals in order to publicise the scheme and to give interested parties (including affected owners and occupiers) an opportunity to provide feedback. It may consult on its proposed scheme more than once, and the proposals may develop over time. As the proposed scheme evolves, the amount of land that is required may change.
- 22. It is during this preliminary stage that you may first become aware of the prospect of a CPO. Clearly, if the acquiring authority makes direct contact, you will be alerted to its intentions. However, if no direct contact is made but you suspect that there are proposals to acquire your land (for example, because it has been identified in a consultation document), you should contact the acquiring authority if you want to find out more.
- 23. If you do not know who the acquiring authority is, a sensible first step is to contact your local council. It will be able to advise you whether it has any proposals to use its compulsory purchase powers. If it does not, it may be aware of other bodies' proposals for development which may involve the acquisition of your land. In such circumstances it may be able to suggest who you could contact.
 - 24. Compulsory purchase is intended as a last resort and acquiring authorities are expected to try to acquire land by agreement before resorting to compulsory purchase. They can seek to acquire the land by agreement at any time and should attempt to do so before and/or alongside taking steps to acquire land by compulsion. If you are keen to sell your land you should contact the acquiring authority to see if they are prepared to acquire your land early.

CPO preparation and submission

Resolution

25. Once the acquiring authority has completed its initial investigations and established the proposed CPO boundary, it can proceed to the next stage. This is the formal decision ('resolution') to use compulsory purchase powers. If the CPO is to be made by a local council, the council executive or the appropriate executive committee will consider a report prepared by

officers recommending the use of compulsory purchase powers and make a decision.

- 26. The resolution will define the land to be acquired (usually by reference to a plan) and state the purpose for which the land is required.
- 27. Many public bodies, including councils, are required to disclose resolutions and other acquiring authorities may choose to do so. Where they do not, it is good practice for such an acquiring authority (e.g. an electricity company) to inform the relevant local council. If this occurs it should be possible to find out about resolutions made by other acquiring authorities by asking the local council.

Referencing – recording information

- 28. This is the exercise undertaken by acquiring authorities of collecting and recording information on land ownership and occupation. The process builds upon the initial information gathering exercise which an acquiring authority may have undertaken prior to a formal resolution to use its compulsory purchase powers.
- 29. The acquiring authority will be seeking to identify everyone who has a legal interest in, or right to occupy, the land it proposes to acquire. This would include owners (both freeholders and leaseholders), tenants and occupiers. This is an important step because the information gathered will form the basis of who will be notified at key stages of the CPO process, including being given the opportunity to object.
 - 30. Acquiring authorities have statutory powers to assist them in carrying out this process. This includes the power to serve a notice on all people it thinks own or occupy land it wishes to acquire. This notice will ask for details of your interest in the land (for example, whether you own the freehold or leasehold or you rent the land) and also of anyone else who has an interest in it. The notice may include a map extract asking you to mark or verify the boundary of your interest. You must be given at least 14 days to respond. Failure to provide information, or making false or reckless statements, is a criminal offence.
- 31. Acquiring authorities may request that you provide this information more than once. This is to ensure that its records are kept up to date.
- 32. If you receive a notice of this kind and you are not sure what it means you should immediately contact the acquiring authority or organisation that sent the letter.

33. Acquiring authorities also have statutory powers to enter land in order to carry out valuations or surveys (e.g. to find out if there are any environmental issues which might need to be considered, such as ground contamination). If it intends to use these powers, the acquiring authority must give you at least 14 days' notice of entry so that you are able to make any necessary arrangements and may only enter your land at a reasonable time. Acquiring authorities may apply to a justice of the peace for a warrant to exercise their power of entry if necessary. You will be entitled to compensation from the acquiring authority for any damage arising as a result of their entry onto your land.

Making the CPO

34. Once the information gathering exercise is complete, the acquiring authority will prepare the CPO and supporting documents. The CPO will have a heading or title which identifies the general area within which the land is situated and the year in which the CPO was made – for example, 'The Birmingham City Council (Poolway Shopping Centre Meadway) Compulsory Purchase Order 2016'.

35. The act of making the CPO is one that the acquiring authority does itself. However even though the CPO is made, it has no effect until confirmed by the confirming authority.

36. The main body of the CPO will contain details of:

- the Act of Parliament and relevant powers under which the CPO is being made
- the purpose for which the CPO is being made
- the name of the acquiring authority

CPO schedule and map

37. Attached to the CPO will be a schedule showing the ownership of land within the CPO. The schedule will:

- · contain the extent, description and location of the land
- set out (where known) the names and addresses of reputed owners, leaseholders, tenants, occupiers, persons who enjoy rights over the land which will be interfered with
- set out persons who are likely to be entitled to make a claim for compensation because the value of their land will/may be reduced as a result of works carried out on the land being compulsorily acquired even though none of their land is being compulsorily acquired

38. Each plot of land referred to in the schedule will have a reference number which will correspond with the relevant plot on the CPO map which will be attached to the CPO.

Statement of Reasons

39. The acquiring authority will usually prepare a document known as a Statement of Reasons for making the CPO. This sets out the authority's reasons for seeking to acquire the land and will accompany the CPO.

Press and site notices

40. Before the acquiring authority submits the CPO for confirmation, a notice must be published for 2 successive weeks in 1 or more local newspapers and must also be fixed on or near the land covered by the order.

Individual notices

- 41. The acquiring authority must serve notice stating the effects of the CPO on every qualifying person.
- 42. The content of the press notice, the site notice and the individual notices is very similar, and each will:
- state that a CPO is about to be submitted for confirmation
- specify the time within which objections to the CPO can be made (this
 must be at least 21 days from the date the notice is posted)
- specify the manner in which objections to the CPO may be made
- say where in the locality the CPO, map and any other documents deposited in support of the CPO may be inspected

Objecting to a CPO

- 43. The notices advertising the making of a CPO invite the submission of objections to the relevant minister. Objections must arrive within the period specified in the notice.
- 44. The details of the address to which objections should be sent and the time period for doing so are set out in the notice. There is no specific format for the objection other than it must be in writing. You can write the letter yourself or you may appoint a professional adviser to submit the objection on your behalf. The costs of objecting to a CPO are generally only recoverable by remaining objectors if their objection is sustained (see Key points to note section above).

- 45. If no objections are made, and the relevant minister is satisfied that the proper procedure for serving and publishing notices has been observed, they will consider the case on its merits and may confirm, modify or reject the CPO without the need for any form of hearing. Alternatively, in such cases the relevant minister may decide to allow the acquiring authority to confirm its own CPO.
- 46. A 'remaining objector' is a qualifying person who has objected within the stipulated period and has not withdrawn their objection.
- 47. Other people may also object to a CPO although they are not qualifying persons in relation to the CPO. Only a remaining objector has a right to be heard at the public inquiry and the confirming authority is only obliged to hold an inquiry if there are remaining objectors.
- 48. If objections are received and not withdrawn, the confirming authority will either arrange for a public local inquiry to be held (see <u>paragraph 54</u> or where all the remaining objectors agree to it arrange for the objections to be considered through the written representations procedure.

Grounds for objection

- 49. In general, any objection will be valid if properly made. The confirming authority is, however, entitled to disregard objections:
- if they are satisfied that the objection relates exclusively to matters which can be dealt with by the Upper Tribunal (Lands Chamber) - this means disputes:
 - regarding the appropriate level of compensation; and
 - over whether part only of land may be compulsorily acquired or whether the authority should be compelled to acquire the whole – even if it only requires part for the scheme (known as 'material detriment' and explained in the guides 2, 3 and 4 (https://www.gov.uk/government/collections/compulsory-purchase-systemguidance))
- if, in the case of a CPO brought forward by a local council under the Town and Country Planning Act 1990, the objection is to a local planning matter set out in the development plan for the area
- 50. Objections usually fall into 3 categories as follows:
- you may agree with the purpose of the scheme but you would like to see minor amendments to minimise the impact on you. Objections of this nature may secure changes, for example, to reduce the visual or noise intrusion of a scheme, or minor adjustments to the land required;

- you may agree with the purpose of the scheme but you feel that it should be located elsewhere
- you may object to the scheme completely. However, as stated in paragraph 50 above, this cannot be solely on the grounds that you object to adopted planning policy

Negotiations with the acquiring authority

- 51. The acquiring authority will normally seek to negotiate with objectors prior to the public inquiry or, where relevant, during the written representations procedure.
- 52. If an objection relates to a specific matter which the acquiring authority can accommodate without prejudicing their scheme, it may be prepared to amend the scheme thus enabling the withdrawal of the objection.
 - 53. It may also be possible to secure some form of undertaking from the acquiring authority limiting the way in which they will exercise their powers, probably in exchange for the withdrawal of the objection. Before withdrawing your objection, you should ensure that any agreement reached is in writing in some form of legally enforceable agreement. Your solicitor should advise you on this.
- 54. If the acquiring authority is unable to secure the withdrawal of all remaining objections there will either be a public local inquiry or (if all the remaining objectors have agreed to its use) the written representations procedure will be followed.

CPO consideration

- 55. Once a CPO is submitted, the relevant minister will decide whether they wish to consider the case themselves or appoint an independent inspector to make the confirmation decision on their behalf. Cases where the relevant minister decides to appoint an inspector to take the final decision are referred to as 'delegated cases'. Where the relevant minister is taking the decision, an inspector will undertake the detailed consideration of the case (through either an inquiry or written representations) and prepare a report with recommendations for the minister to consider and make a decision. In delegated cases, the inspector will undertake the detailed consideration of the case and make the decision.
- 56. Shortly after the closing date for objections, if the confirming authority thinks the objections could be considered through the written representations procedure they will write to the remaining objectors seeking their consent to this. If, however, they consider that the written representations procedure is not appropriate they will write to the acquiring

authority and the objectors indicating that an inquiry is to be held. Similarly, where any remaining objector does not consent to the written representations procedure, the confirming authority will write to all parties indicating that an inquiry is to be held. The date of the letter indicating an inquiry is to be held is known as the 'relevant date'. This date is the date from which other procedural steps in the process should happen.

The inquiry

- 57. Not later than 6 weeks after the relevant date the acquiring authority must serve a 'statement of case' on the confirming authority and each remaining objector. This sets out full particulars of the case to be put forward at the inquiry and justifies the reasons for making the CPO. Copies of all documents referred to in the statement of case must be attached, together with a list of any documents which the acquiring authority intends to refer to at the inquiry.
- 58. The acquiring authority will often publish the statement of case and the documents on their website. The acquiring authority must allow anyone who wishes to inspect and take copies of the statement of case and documents in person to do so. You should not be charged for inspecting documents. However, if you take copies of documents there may be a charge to cover reasonable administration costs.
- 59. Remaining objectors and anyone appearing at the inquiry may be asked by the inspector to provide a full statement of case. However, this usually only happens in the case of a complex or substantial objection.
 - 60. There is no obligation for an objector to appoint legal or other representation. However, if you intend to become involved in an inquiry you are strongly recommended to have the necessary specialist advice available. Although an inquiry is not a court of law, legal advice is usually needed as it is subject to procedures set down by law and decisions arising from the inquiry are legally binding. Depending on the nature of your objections you may need expert witnesses to give technical and professional evidence. This will have cost implications. For information about the award of costs see Key points to note section above.

Date of Inquiry

61. The inquiry should normally be held within 22 weeks of the relevant date. Each remaining objector and the acquiring authority must be given at least 42 days' notice of the date, time and place of the inquiry. At least 14 days before the inquiry, site notices must be posted by the acquiring authority, advertising the details. A press notice may also be required.

62. In the case of CPOs which have attracted a large number of objectors, it is likely that a pre-inquiry meeting will be held to discuss the procedure, scope and programming of the inquiry. This meeting will be chaired by an inspector, who may give directions, for example for the prior exchange of evidence. This will be a public meeting and all objectors will be invited to attend. If a pre-inquiry meeting is required the timescales in <u>paragraphs 57</u> to 73 will be different.

Inquiry Procedure

- 63. In England, the procedure before, during and after the inquiry is generally governed by the Compulsory Purchase (Inquiries Procedure) Rules 2007 (as amended). In Wales, the procedure is set out in the Compulsory Purchase (Inquiry Procedure) (Wales) Rules 2010 (as amended).
- 64. The inquiry procedure is also subject to the rules of natural justice. These rules, developed by the courts, provide that there must be fairness in the conduct of an administrative process and, in particular, each side must have a fair opportunity to be heard and to hear and question the case against them. A CPO may be challenged if there has been a breach of either the rules of natural justice or the statutory rules of procedure. Challenges to the confirmation of a CPO are covered at paragraphs 85 to 89.
- 65. The inquiry is held before an inspector. The appointment of an inspector for a specific inquiry will take into account the particular suitability of the inspector for dealing with the matter in question. The inspector determines how the inquiry is to proceed. They will make this known at the opening of the inquiry if there has not been a pre-inquiry meeting (see paragraph 62). Generally they will try to keep proceedings informal while ensuring that all parties are able to have their say in an organised and orderly manner.
- 66. Usually, the acquiring authority will present its case first. This is done by way of an opening statement by its advocate, followed by the calling of witnesses to give evidence.
- 67. The acquiring authority's witnesses may then be questioned by objectors ('cross-examination') and by the inspector. The same process is followed by each objector. By this process, the case for and against acquisition is tested, hence the need for specialist advice and thorough preparation. Remaining objectors are entitled to cross-examine the acquiring authority's witnesses and any other witnesses. However, other objectors must obtain the inspector's consent to cross-examine witnesses. In practice, this is almost always given.
- 68. The inspector may require that evidence is given on oath but this is not common.

- 69. Following the evidence of the objectors, the acquiring authority has the opportunity for final reply.
- 70. If you are unable or unwilling to attend the inquiry you may, if you would prefer, make a written representation either before or during the inquiry. The inspector is required to disclose the contents of written representations to the inquiry.

Site visit

71. The inspector will usually visit the site. Before or during the inquiry, they can visit it on their own. During or after the inquiry they can also make an accompanied site visit i.e. the inspector will visit the site accompanied by a representative of the acquiring authority and/or any remaining objector(s) who wishes to attend. The inspector must make an accompanied visit if requested to do so by the acquiring authority or any of the remaining objectors. The date and time of an accompanied site visit will be announced by the inspector during the inquiry. The acquiring authority and any remaining objectors will have the right to attend. The inspector will refuse to discuss the merits of the case on an accompanied site visit.

Post inquiry procedure

- 72. Within 10 business days, beginning on the day after the day the inquiry closes, you and other parties to the inquiry should be notified of the expected date on which a decision will be issued.
- 73. Where the decision is being taken by a relevant minister, the inspector will produce a report clearly setting out their conclusions and putting forward recommendations for the minister to consider. Where the decision has been delegated to an inspector, they will consider the findings of the inquiry and issue their decision.

The written representations procedure

- 74. As an alternative to holding an inquiry, objections can be considered by an inspector through the written representations procedure. Instead of the acquiring authority and objectors (or their representatives) appearing in person before an inspector, the cases for and against the CPO are elaborated entirely in writing. In England, the written representations procedure is governed by the Compulsory Purchase of Land (Written Representations Procedure) (Ministers) Regulations 2004 (as amended). In Wales, the procedure is set out in the Compulsory Purchase of Land (Written Representations Procedure) (National Assembly for Wales) Regulations 2004 (as amended).
- 75. Where all the remaining objectors consent to the written representations procedure, the confirming authority will write to the acquiring authority and the objectors setting a starting date for the written procedure.

- 76. The confirming authority will ask the acquiring authority to make any additional representations it wishes to them no later than 14 working days after the starting date, or to indicate that it wishes to treat their statement of reasons as their representations.
- 77. The confirming authority will then send the remaining objectors copies of any additional representation the acquiring authority has made. They will ask the remaining objectors to make any additional representations they wish not later than 15 working days from the date of the confirming authority's letter, or to indicate they do not wish to make further representations.
- 78. The confirming authority will then send any such representation from the remaining objectors to the acquiring authority, asking it to make any final comments no later than 10 working days from the date of the confirming authority's letter.
- 79. In cases where the confirming authority is making the decision, they will then appoint an inspector, who will consider the written representations, undertake a site visit if appropriate, and make a recommendation in respect of the CPO. In delegated cases, the inspector considers the written representations, undertakes a site visit if appropriate, and makes the decision. Where a site visit is needed, this must be undertaken within 15 weeks of the starting date.
- 80. The confirming authority can disregard any representations received outside the deadlines set.

Decision

- 81. The confirming authority will decide whether or not to confirm, modify or reject the CPO.
- 82. When the confirming authority has reached its decision it will notify in writing the acquiring authority, the remaining objectors and any other person who appeared at the inquiry or made written representations and asked to be notified. The decision letter will set out the reasons for the decision. Any party who wishes to have a copy of the inspector's report can request one (if it was not enclosed with the decision letter).
- 83. Successful objectors are invited to submit their claims for costs to the confirming authority when they receive written notification of the decision.

Confirmation of CPO

84. Within 6 weeks of the date of the order being confirmed (or such longer period as may be agreed between the acquiring authority and the

confirming authority), the acquiring authority must publish a confirmation notice in 1 or more local newspapers. They must also fix a copy of the notice and a copy of the confirmed CPO on or near the site and serve a copy of the notice and a copy of the confirmed CPO on every qualifying person.

Challenge to confirmation of CPO

85. The validity of a CPO can be challenged in proceedings in the High Court under the Acquisition of Land Act 1981. The proceedings must be brought within 6 weeks following the newspaper publication of the notice of confirmation of the CPO. There is therefore, a need to act very quickly if you think there are grounds for challenge and you should take legal advice immediately.

86. In general terms, a challenge can be on 1 or more of 3 grounds that:

- the powers granted are 'ultra vires' this means they go beyond the powers permitted by the Act of Parliament under which they are being sought
- the procedural rules have not been followed correctly
- the confirming authority has not acted properly in reaching a decision for example, that there was no evidence to support the decision, or that irrelevant considerations were taken into account or relevant ones ignored

87. If the challenge is successful, the High Court may quash:

- the CPO or any part of it in which case, if the acquiring authority wanted to continue with the compulsory purchase, it would have to start the CPO process again from the beginning; or
- the decision in which case, the CPO would go back to the relevant minister to reconsider and reach a new decision

Other challenges to decisions on CPOs

88. If, for example, the confirming authority decides not to confirm a CPO, this may not be the end of the matter. The acquiring authority might apply to the court for a Judicial Review, usually on grounds similar to those in third bullet point of <u>paragraph 86</u>. Applications for judicial review must be made as soon as possible and in any event within 3 months of the decision challenged.

89. There may also be circumstances when a decision (other than to confirm the CPO) reached during the compulsory purchase process, may be subject to judicial review on the basis that it has been incorrectly made. If you think that such a decision has been made in your case, you should seek legal advice immediately.

Advance payments

90. At any time after a CPO has been confirmed, you are able to make a claim for an advance payment on account of any compensation you believe you are entitled to following the exercise of compulsory purchase powers or would be entitled to if the compulsory purchase powers were implemented. When doing so you must provide sufficient information to allow the acquiring authority to properly estimate your compensation entitlement (see paragraph 101 for details of how to make a claim). The amount payable in advance is:

- 90% of the agreed sum for the compensation; or
- 90% of the acquiring authority's estimate of the compensation due, if the acquiring authority takes possession before compensation has been agreed

Further information about advance payments (including when they can be paid) is contained in <u>guides 2, 3 and 4</u> (https://www.gov.uk/government/collections/compulsory-purchase-system-guidance).

Possession and acquisition

91. Following the confirmation of a CPO there are a number of methods available to acquiring authorities to acquire land:

- by agreement
- following a notice to treat/notice of entry
- by a general vesting declaration (GVD)
- by procedures for acquiring 'short tenancies'
- in response to a blight notice

92. An acquiring authority may use a combination of these methods to acquire different parcels of land within a single CPO.

By agreement

- 93. The fact that an acquiring authority has obtained a confirmed CPO does not prevent it from seeking to purchase by agreement. Indeed, the acquiring authority will usually have attempted to acquire land by agreement prior to making the CPO and before confirmation of the CPO.
- 94. Once the CPO has been confirmed, the acquiring authority may continue negotiations to acquire the land by agreement without the need to implement its compulsory purchase powers. The acquiring authority will, of course, do so in the knowledge that if negotiations prove unsuccessful, it can secure ownership of the land by implementing its compulsory purchase powers.
- 95. The price paid by the acquiring authority in these circumstances will normally be in accordance with the compensation principles. In other words, it will be equivalent to the compensation which would have been payable had the land been compulsorily acquired. This means that in addition to the value of the land, the price may include an amount in respect of severance, injurious affection and disturbance as appropriate. The basis and calculation of compensation is detailed in guides 2, 3 and 4

(https://www.gov.uk/government/collections/compulsory-purchase-system-guidance).

96. Land may be acquired for a capital sum or in exchange for other land.

Notice to treat followed by notice of entry

- 97. Acquiring authorities may acquire land by service of a document known as a 'notice to treat' followed by a document known as a 'notice of entry'. It is possible for both notices to be served at the same time.
- 98. The notice to treat must be served within 3 years of the publication in a newspaper of the confirmation notice for the CPO (except if there is a legal challenge against the CPO this time period could be extended by up to 1 year). The notice will state that the acquiring authority is willing to negotiate for possession of the land.
- 99. A notice to treat must:
- specify the land to which it relates
- request particulars of the addressee's interests and rights in the land

- state that the acquiring authority is willing to treat (negotiate) for the purchase of the land and to pay compensation
- ask for the addressee's claim in respect of the land within a specific period (usually 21 days)

Action following receipt of a notice to treat

100. If you receive a notice to treat you should respond to the questions it raises and to submit a notice of claim for compensation to the acquiring authority. The consequences of failing to do so are set out in <u>paragraphs</u> 105 to 106.

101. There is no specific format for the notice of claim other than that it must be in writing. However, there is a <u>model claim form on GOV.UK</u> (https://www.gov.uk/government/publications/compulsory-purchase-process-and-the-crichel-down-rules-guidance). Some acquiring authorities may use their own form.

102. The acquiring authority will require you to produce evidence of your interest in land, for example a copy of the title deeds or lease.

103. The acquiring authority will specify a time limit for submitting a notice of claim, which must be not less than 21 days from the serving of the notice to treat. In practice, a longer time period is often specified. You should aim to complete as much of the claim as you can and return it within the specified time period. You are able to revise your claim once it has been submitted. You should contact your professional adviser as soon as you receive a notice to treat. They will be able to help you complete your notice of claim.

104. The authority may withdraw the notice to treat within 6 weeks after receiving a claim, but it may have to pay compensation for losses sustained.

Consequences of not submitting a notice of claim

105. If a notice of claim is not submitted within the specified time period, the acquiring authority is entitled to:

- refer the question of compensation to the Upper Tribunal (Lands Chamber); or
- withdraw the notice to treat and abandon the proposal to purchase

106. In practice, the acquiring authority is unlikely to pursue either course of action, but you are advised to comply with the timetable for submitting the notice of claim. This is because failure to do so may prejudice your position on costs if the case is ultimately submitted to the Upper Tribunal (Lands Chamber). In addition, if the notice to treat refers

to only part of your land and you are keen to try to force the acquiring authority to purchase the whole of your land holding (which is possible in certain circumstances), your rights may be prejudiced if you do not comply with the timetable.

Other effects of receipt of notice to treat Restriction on works

107. Once you have received a notice to treat you may not be compensated in respect of any new interests created (or any old interests determined) after that date, if this action was taken with a view to obtaining or increasing compensation. An example of a new interest would be the grant of a new lease.

108. Any building work, alterations or improvements made which the Upper Tribunal (Lands Chamber) considers not reasonably necessary and to have been undertaken with a view to increasing compensation will be disregarded in the settlement of compensation. However, you are entitled to continue to deal with your land in the normal way i.e. to sell it, let it or undertake repairs or alterations, so long as this is not done with a view to increasing the compensation payable.

Possession – notice of entry

- 109. Once the notice to treat has been served, the acquiring authority can take possession of the land following service of a notice of entry.
- 110. The notice of entry must specify a date when the acquiring authority proposes to enter and take possession of the land. (The entry date must not be less than 3 months away. The date that the acquiring authority enters and takes possession of the land (following service of notice of entry) must usually be within 3 years from the date of the service of the notice to treat.)
- 111. However, acquiring authorities are not obliged to enter the land on the date specified in the notice of entry and frequently do so later. In such cases you can serve a counter-notice requiring the acquiring authority to take possession of your land on a particular date. Your professional adviser will be able to advise on this.
- 112. It is important to note that once the acquiring authority has entered the land via the notice to treat/notice of entry route, they have still not actually acquired the title. The acquiring authority, having entered the land may undertake activities in connection with the purpose for which it is being acquired, but the title will not actually pass to the acquiring authority until it has been conveyed. This will occur once compensation has been settled, either by agreement or by the Upper Tribunal (Lands Chamber).
- 113. The date of entry is, in most cases, the date for valuing the land see guides 2, 3 and 4 (https://www.gov.uk/government/collections/compulsory-

General vesting declaration

- 114. As an alternative to the notice to treat/notice of entry route, the acquiring authority may acquire land by making a general vesting declaration (GVD). The main difference with this method is that not only does the GVD give the acquiring authority the right to enter and take possession of the land but it vests (transfers) the title to the land in the acquiring authority.
- 115. A GVD may relate to a number of properties within the CPO and an acquiring authority may make more than one GVD for a single CPO.
- 116. The acquiring authority must execute the GVD within 3 years of the date the confirmation notice is served. The GVD must specify a date ('vesting date') when the land will vest in the acquiring authority. The vesting date must be at least 3 months away. On the vesting date, the land vests in the acquiring authority i.e. title passes to the acquiring authority. At this time, the acquiring authority has the right to enter and take possession of the land.
- 117. The vesting date becomes the date for the assessment of compensation. The matter of compensation is dealt with separately in guides 2, 3 and 4 (https://www.gov.uk/government/collections/compulsory-purchase-system-guidance) on compensation.

Short tenancies

118. A short tenancy is defined as an interest of no greater than for a year or from year to year. The acquiring authority may seek to acquire such an interest under the notice to treat/notice of entry route or under landlord and tenant powers, each of which are explained further below. This kind of interest cannot be acquired by the GVD method.

Landlord and tenant powers

119. The acquiring authority may terminate the lease under the terms of the tenancy by acquiring the freehold or any superior interest (such as a headlease) and serving notice to quit under the terms of the lease. In this case, there will have been no compulsory acquisition of the leasehold interest.

Notice of entry

120. The acquiring authority may serve a notice of entry on a tenant having an interest no greater than a tenant for a year, or from year to year, provided a notice to treat has been served in respect of some other interest in the land, for example, if a notice to treat has been served on the freehold

interest. The entry date specified in the notice must not be less than 3 months away.

In response to a blight notice

- 121. Blight occurs where the value of a property is reduced as a result of planning or other development proposals, making it difficult for owners to sell their property except at a price significantly below market value.
- 122. The blight notice procedure is a process by which you may bring forward the acquisition of your property if it has become 'blighted' as defined in planning law.
- 123. Where the value of a property has been reduced by certain categories of planning or other development proposals, anyone with a qualifying interest, may be entitled to serve a 'blight notice' on the body responsible for this, requiring them to buy the property at its unrestricted value. In short, the threatened or prospective compulsory purchase is brought forward thereby removing the uncertainty which might otherwise make the property unmarketable save at a significantly reduced price.
- 124. Inclusion within a CPO is only one of many circumstances in which a blight notice may be served. A full list of the circumstances in which a blight notice may be served is set out in Schedule 13 to the Town and Country Planning Act 1990. Only the ones relating to compulsory purchase are considered in this guide, but there may be opportunities to serve a blight notice earlier under one of the other categories of blight.
- 125. If you are concerned about blight arising from other circumstances you should ask your professional advisor.

Qualifying interests

126. In order to qualify to serve a blight notice, you must be one of the following:

- a resident owner-occupier of a private dwelling
- an owner-occupier of any business property where the annual (rateable) value does not exceed the prescribed limit at the date of service of blight notice (£36,000 in England excluding Greater London and £44,200 in Greater London based on 2017 rateable value)
- an owner-occupier of an agricultural unit
- certain mortgagees and personal representatives
- 127. An investment property owner is not entitled to serve a blight notice.

Content and service of blight notice

128. A blight notice must be in writing and must state the interest in the land (for example, freehold or leasehold) and the statutory ground for serving a blight notice. There is a form which must be used for this purpose in Schedule 2 to The Town and Country Planning General Regulations 1992.

Acquiring authority's response to a blight notice

129. The acquiring authority has 2 months to accept or reject the blight notice. If it takes no action, the notice takes effect automatically. If the blight notice is accepted or takes effect following expiry of the 2 months, a notice to treat is deemed to have been served at the date of acceptance or expiry. The procedure for taking matters forward is then as set out above under the section on notice to treat (paragraph 98).

130. If the acquiring authority does not wish to purchase the property under the blight provisions it may serve a counter notice within the 2-month period objecting on 1 or more of the following grounds:

- no part of the land is in a relevant category of blight
- the acquiring authority does not propose to acquire any of the land
- the acquiring authority only proposes to acquire part
- on the date of the notice, the claimant is ineligible
- the interest of the claimant does not qualify

131. If you do not agree with the acquiring authority's counter notice, you may refer the matter to the Upper Tribunal (Lands Chamber) within a period of 2 months and it will determine the matter.

Compensation

132. There is generally a right to compensation following the taking of possession of the land. Compensation, including advance payments, are explained in the other guides in the series. For details on your rights to compensation and how it is assessed you should read the guide which deals with the type of property which you own or occupy:

- Guide 2: business owners and occupiers (https://www.gov.uk/guidance/compulsory-purchase-and-compensation-guide-2-compensation-to-business-owners-and-occupiers)
- <u>Guide 3: agricultural owners and occupiers</u>
 (https://www.gov.uk/guidance/compulsory-purchase-and-compensation-guide-3-compensation-to-agricultural-owners-and-occupiers)
- <u>Guide 4: residential owners and occupiers</u>
 (https://www.gov.uk/guidance/compulsory-purchase-and-compensation-guide-4-compensation-to-residential-owners-and-occupiers)

133. In addition, there are circumstances in which an acquiring authority will undertake works to mitigate the adverse effects of its development on your property. An acquiring authority can only be compelled to do mitigation works if your property is residential. However, it may agree to undertake works in other circumstances. Your professional adviser will be able to provide further advice on this matter.

Appendix 1: Terms used in compulsory purchase

Set out below is a list of terms and definitions commonly referred to when dealing with compulsory purchase matters.

Acquiring authority

Bodies authorised through an Act of Parliament to acquire land by compulsion for a specific purpose.

Confirming authority

Once a CPO is made by the acquiring authority it must be approved by the confirming authority before it can be implemented. The confirming authority is either the relevant government minister (the confirmation of CPOs in Wales is the responsibility of Welsh Ministers) or an independent inspector appointed by the relevant minister to take the confirmation decision on their behalf.

Duty to mitigate loss

The duty of a claimant seeking compensation to take any reasonable steps open to them to reduce or avoid loss. For example, a claimant could mitigate loss by seeking a number of quotes from reputable contractors and instructing the cheapest.

General Vesting Declaration (GVD)

A legal procedure used in connection with compulsory purchase whereby an acquiring authority, having secured confirmation of a CPO, is able to obtain possession and ownership of the land. This is a procedure for the speedy acquisition of land and normal conveyancing practice does not have to be adopted.

Home loss payment

An additional sum paid to owner-occupiers and tenants of dwellings displaced by compulsory purchase or public redevelopment (on top of compensation based on the market value of the land/property which is taken).

Investment Property

Generally, any property purchased with the primary intention of retaining it and enjoying the total return, i.e. income and/or capital growth, over the life of the interest acquired.

Land

Land includes buildings and structures. Existing interests and rights in land, such as freehold or leasehold together with any existing rights can be compulsorily acquired either as a whole or in part.

Notice of Entry

A notice served on the owner and occupier(s) of a property by an authority possessing compulsory purchase powers requiring possession to be given by a date prescribed in the notice.

Notice to Treat

A notice served on owners, lessees and mortgagees by an authority with compulsory purchase powers to acquire land. The notice gives particulars of the property to be acquired, demands details of the recipient's interest in the land and their claim for compensation and states that the authority is willing to treat (negotiate) for the purchase of the land.

Owner-occupier

An owner-occupier in relation to a hereditament, is:

- a person who occupies the whole or a substantial part of the hereditament in right of an owner's interest in it, and has so occupied the hereditament or that part of it during the whole of the period of 6 months ending with the date of service; or
- if the whole or a substantial part of the hereditament was unoccupied for a period of not more than 12 months ending with that date, a person who so occupied the hereditament or, as the case may be, that part of it during the whole of a period of 6 months ending immediately before the period when it was not occupied

and, in relation to an agricultural unit, means a person who:

- occupies the whole of that unit and has occupied it during the whole of the period of 6 months ending with the date of service; or
- occupied the whole of that unit during the whole of a period of 6 months ending not more than 12 months before the date of service, and, at all times material for the purposes of paragraph (a) or, as the case may be, paragraph (b) has been entitled to an owner's interest in the whole or part of that unit

Qualifying person

A qualifying person is:

- an owner, lessee, occupier or tenant of land within the CPO; or
- a person who may have the right to claim compensation either because:
- (a) they own rights in the land being acquired and these will be interfered with; or

(b) the value of their land will/may be reduced as a result of works carried out on the land being compulsorily acquired (even though none of their land is being compulsorily acquired)

Relevant date

In the context of a public inquiry it is the date of the letter which the confirming authority sends to the acquiring authority and the objectors confirming that a public inquiry is to be held. This date is used to establish timetables for the inquiry procedure.

Remaining objector

A qualifying person who has a remaining objection within the meaning of section 13A of the Acquisition of Land Act 1981.

Resident owner-occupier

A resident owner-occupier in relation to a hereditament, means:

- an individual who occupies the whole or a substantial part of the hereditament as a private dwelling in right of an owner's interest in it, and has so occupied the hereditament or, as the case may be, that part during the whole of the period of 6 months ending with the date of service; or
- if the whole or a substantial part of the hereditament was unoccupied for a period of not more than 12 months ending with that date, an individual who so occupied the hereditament or, as the case may be, that part during the whole of a period of 6 months ending immediately before the period when it was not occupied

Statement of Case

A statement prepared by the acquiring authority which sets out full particulars of the case to be put forward at the inquiry and justifies the reasons for making the CPO.

Statement of Reasons

Sets out the authority's reasons for seeking to acquire the land and will accompany the CPO.

Upper Tribunal (Lands Chamber)

A tribunal for England and Wales set up under the Lands Tribunal Act 1949 and proceeding in accordance with rules made by the Lord Chancellor. Its jurisdiction, amongst others, includes adjudication on disputed compensation for the compulsory acquisition of land. The tribunal comprises the President (who must be a barrister or have held judicial office) and members who are all either legally qualified or experienced in valuation.

Appendix 2: Useful contacts

Set out below is a list of contact details of bodies and organisations who may be able to offer their advice if you are affected by compulsory purchase.

Central Association of Agricultural Valuers

The <u>Central Association of Agricultural Valuers (https://www.caav.org.uk/)</u> is the professional body for rural property specialists. They can provide contact details for suitably experienced agricultural valuers in your area who can advise rural property and business owners on CPO.

Compulsory Purchase Association (CPA)

The Compulsory Purchase Association

(http://www.compulsorypurchaseassociation.org/index.html) is a membership organisation which promotes best and effective practice in delivering land for infrastructure, housing and regeneration. Its members offer CPO and compensation advice, and a list of members, together with other useful information, is available on its website.

Ministry of Housing, Communities and Local Government (MHCLG)

The Ministry of Housing, Communities and Local Government (https://www.gov.uk/government/organisations/ministry-of-housing-communities-local-government) is the government department responsible for the compulsory purchase system in England. MHCLG can provide guidance on the operation of the compulsory purchase system. However, the Department cannot provide advice on individual cases.

Royal Institution of Chartered Surveyors (RICS)

The <u>Royal Institution of Chartered Surveyors (https://www.rics.org/)</u> can provide advice on land value and compensation. RICS also hold a list of surveyors who are experienced in offering support on compulsory purchase matters.

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