



Department for
Communities and
Local Government

Claiming compensation for the acquisition or the occupation of land

Notes on the issue and completion of the claim form

Further copies of the claim form are available for download at:

www.gov.uk/government/publications/compulsory-purchase-process-and-the-crichel-down-rules-guidance

The purpose of the model claim form

The claim form is intended:

- 1) To ensure that anyone who may be affected by a compulsory purchase and have an entitlement to claim compensation (a 'claimant') is aware of what information it needs to provide to the acquiring authority ('AA') for the proper consideration of any claim.
- 2) To ensure that a claimant provides the information that is needed as early as possible in the compulsory purchase process so that the AA can make an advance payment (if requested to do so) based on the full details of the claim.
- 3) To assist a claimant in complying with the requirement to make a detailed properly evidenced claim in [section 4 of the Land Compensation Act 1961](#).

Claimants are advised to instruct an appropriate chartered surveyor who specialises in compulsory purchase compensation; whose reasonable fees should be recoverable as part of the compensation payable to you.

When can the claim form be completed?

An AA is encouraged to issue the claim form at the earliest opportunity. It does not need to wait until it exercises its compulsory purchase powers (by service of Notice to Treat or the making of a General Vesting Declaration).

Claimants may wish to complete the form as soon as they have been notified that compulsory purchase powers that might affect their property have become operative. Completing the form at the earliest opportunity will help to ensure that the AA has the information it needs to make an advance payment of the compensation payable for the compulsory acquisition of land under the [Land Compensation Act 1973](#) (if requested to do so).

An advance payment is 90% of the agreed compensation, or where there is no agreement, 90% of the acquiring authority's estimate of the compensation due.

Should a claimant's circumstances change following the initial completion of the claim form, a further version can be submitted. Alternatively the AA can be notified of the change by correspondence making reference to the earlier claim form.

If a claim form is submitted to an AA prior to the confirmation of compulsory purchase powers, the AA should notify the claimant that it awaits confirmation of those powers, but retain the form for processing once the powers are confirmed formally.

If the question of compensation is referred to the Upper Tribunal, a claimant risks an award of costs by the Tribunal in favour of the AA if they have not provided a detailed claim in time to enable the AA to make a proper offer ([section 4 of the Land Compensation Act 1961](#)).

Who should complete which part of the claim form?

Where the claim form is issued by an AA, the AA will complete the detail required on page 1 by:

- a) Inserting the title of the specific instrument authorising compulsory acquisition, the name of the body exercising those powers and the address of the property to which the claim form relates.
- b) Attaching a plan confirming the extent of the land to which the claim form is intended to relate.
- c) Inserting the appropriate contact details to enable the claim form, together with all associated documentation, to be returned by post and inserting the appropriate email address for communication by electronic means.

If the claimant does not have an interest in the whole of the land identified on the plan provided by the AA, the claimant should ensure that it takes action in accordance with points (1), (2) and (3) under the explanatory notes on page 2 of the claim form.

Where a claim form is completed by a claimant prior to one being issued by an AA, it will be for the claimant to complete the relevant detail on page 1. The claimant must

ensure that the claim form is sent to the body which will ultimately be the AA for the purpose of the compulsory purchase in progress.

Guidance for claimants

Further guidance on answering the claim form is set out below. The numbering below relates to the equivalent question number on the claim form. But as a general guide:

- a) All claimants should answer Questions 1 to 6.

In addition

- b) Those owning the freehold interest should answer Section A.
- c) Those occupying under a leasehold (including a tenancy) arrangement should answer Section B.
- d) Those occupying under some other arrangement, not being a written lease or tenancy agreement (such as a licence), should answer Section C.
- e) Those claiming compensation for compulsory acquisition should answer Section D.
- f) Those claiming for interference to rights over land or restrictive covenants should answer Section E.
- g) Those claiming for loss or injury/damage caused by temporary possession should answer Section F.

Guidance for specific questions

- Q1) If the claim form is to be completed by (or for) a freeholder (by answering Section A) or leaseholder (by answering Section B) but the name of the claimant seeking compensation has a different name to that identified as either the freeholder or leaseholder respectively, the relationship of the claimant to the freeholder/leaseholder should be explained on a separate piece of paper. This should identify the reasons why the named claimant seeks to claim compensation.
- Q2) This question is asked to assist identification.
- Q3) If you are instructing a solicitor/surveyor/other, please select as appropriate depending on who is identified as the person to whom all correspondence should be directed in response to Question 3a.

If you intend to deal with the matter yourself then please select 'Myself' and insert your address at Question 3b.
- Q4) It is important to identify a negative equity situation at the earliest possible opportunity. This is a situation where the amount of the mortgage loan exceeds the market value of the property. Early identification is necessary

because although a negative equity situation does not prevent the compulsory purchase process going ahead, more time is needed to enable this situation to be resolved between the claimant, the AA and the mortgage lender.

You will be able to identify the amount of the mortgage outstanding by reference to your last mortgage statement. If you believe that the market value of the property is less than the outstanding loan you should advise both your mortgage lender and the AA as soon as possible in order that these two bodies can liaise with each other.

- Q5) This question only applies where a claimant owns / occupies additional land which is either nearby or immediately alongside the land identified on the plan that has been attached to the claim form by the AA.

Section A – Freehold

- Q7) It is necessary for a claimant to establish entitlement to compensation and in the case of the freehold interest this is most easily done by obtaining a copy of the Title held by the Land Registry for a small fee.

Only the Title number is needed at this stage. If you know your registered Title number, which usually is a series of two or three letters followed by numbers, there is no need also to provide a copy of the Title and plan.

- Q8) You should provide a copy of any documentation which entitles another person to occupy land that is the subject of the claim.

For a lease or similar document, if the rent currently payable is different to the rent stated in the lease itself please attach a copy of the memorandum recording the latest agreed rent payable.

If notice (eg under [section 25 Landlord and Tenant Act 1954](#)) has been served on any tenant to terminate their lease or any tenant has served a notice to terminate their tenancy, please provide copies.

If others occupy the land without any agreement in writing to evidence their occupation, please provide full details of the arrangement.

If any occupier is related to you, whether by birth or marriage or by some other arrangement, please provide details of the circumstances of the relationship.

- Q9) You should provide details of any of the encumbrances listed (or any others if necessary) if they affect your land.
- Q10) If any statutory notice (such as an enforcement notice, or a notice under [section 215 of the Town and Country Planning Act 1990](#)) has been served, which affects the property on an on-going basis or where action is yet to be implemented, please provide all relevant information.
- Q11) The circumstances identified relate to a possible compensation entitlement under the Town and Country Planning Act 1990. If one of these circumstances affects your property you will have been notified by the local planning authority of your entitlement to claim compensation. If no such circumstance affects the property there is no need to answer the question.

Q12) This question seeks information relating to any development for which planning permission has been granted by the local planning authority but where development has yet to begin or is only partially complete. In such circumstance, please provide a copy of the planning permission and where the planning permission has been implemented in part, identify what remains to be completed of the proposed development.

Section B – Leasehold

Q13) Please ensure that any copy provided of any plan attaching to the lease is coloured in an identical manner as the original lease copy.

Q14) This question relates to any lease that you may have granted to another person out of your leasehold interest.

If you have let others occupy your land without any agreement in writing to evidence their occupation, please provide full details of the arrangement.

If any occupier is related to you, whether by birth or marriage or by some other arrangement, please provide details of the circumstances of the relationship.

Q15) Please see the guidance at Q10 above.

Q16) Please see the guidance at Q11 above.

Q17) Please see the guidance at Q12 above.

Section C – Other interest

Q18) This question applies to you if you occupy another person's land but have no formal agreement in place which gives you the right to do so.

If it does apply, please describe (if necessary on a separate piece of paper) the circumstances under which the land is occupied by you, the date upon which that occupation commenced and whether you believe you are now entitled to be in occupation of the land in question by any legal right.

If you are related to the person that allowed you to occupy the land, whether by birth or marriage or by some other arrangement, please provide details of the circumstances of the relationship.

Section D – Acquisition

This section addresses matters relevant to the assessment of compensation and is to be completed by all claimants claiming compensation for compulsory acquisition. Answering each question in as much detail as possible may assist in reducing the time that it takes to process and settle your claim. It will also help to ensure that you receive an advance payment based on the full details of your claim, should you request one. The following information is not intended to provide tax or accounting advice, and should not be relied upon for such purposes.

Q19) If you are registered for VAT and so able to recover VAT in full, any claim for compensation that you make for costs incurred will be compensated having regard to the net cost incurred on the presumption that you will recover VAT levied on the cost incurred through your normal quarterly VAT accounting process.

If you only recover VAT partially, the situation which applies to some businesses such as those which provide financial services of one type or another, then you will be compensated for whatever proportion of VAT that cannot be recovered from HMRC. If this applies to you then you will need to provide a statement from your accountant to confirm what percentage of VAT can usually be recovered in each relevant accounting year as the percentage recoverable can vary as between accounting years.

Q20) The sale of an interest in land is not usually subject to VAT; such sales are usually exempt from VAT liability. In some circumstances, however, the owner of the land can opt to be registered for VAT; which option is usually exercised where the land owner incurs regular costs in respect of the land and wishes to recover the VAT which is chargeable on those costs incurred.

If you have opted to pay VAT please provide a copy of HMRC's confirmation so that the AA can be aware as early as possible that it has to reimburse you any VAT that will be payable on the compulsory purchase of the interest in land.

Q21) For the value of the claimant's interest you should not simply state the sum of money claimed. You should provide a properly detailed valuation ie full details of the comparable or other evidence relied upon in support of the valuation, the analysis of that comparable evidence that lends support to the valuation and any other matter to which you have had regard arriving at the final valuation figure.

Similarly for the claim for loss due to severance and/or injurious affection, you must provide a detailed valuation setting out how the amount being claimed has been arrived at; again by reference to comparable evidence unless you intend to rely on the same evidence that you have used for the purpose of the valuation of the interest in land.

Guidance in respect of the material to be provided in support of the claim for disturbance is given separately at Q22 below.

Where an easement is being acquired you should similarly provide a detailed valuation calculation showing how the value attributable to the loss of that easement is calculated.

Home Loss Payments, Basic Loss Payments and Occupier's Loss Payments are calculated in accordance with the statutory formulae in [sections 30, and 33A to 33C Land Compensation Act 1973](#) (as amended), but please show the relevant calculation.

Q22) Compensation is payable for 'disturbance' ie costs/losses incurred through being disturbed in your occupation of land.

In order to make an advance payment of compensation the AA needs to have an understanding of the costs/losses that are likely to be incurred as a

consequence of the compulsory purchase. The sooner estimated costs can be provided, the sooner the acquiring authority can prepare to make an advance payment to a claimant.

If you are a residential owner/occupier or a lessee of residential property who has an entitlement to claim statutory compensation, you should provide as much information with regard to estimated removal costs (including written quotations where possible) and, for example, immovable items such as built-in appliances, fitted carpets and curtains etc as soon as possible.

If you are the operator of a business and you are intending to relocate the business to alternative premises, you should provide as much information with regard to estimated removal costs (including written quotations where possible) as soon as possible.

If you are a business and it seems unlikely that you will be able to identify anywhere to relocate the business to, it may be that you consider you have no alternative but to close the business. You will need to provide evidence to demonstrate that you have made all reasonable efforts to find an alternative property to occupy.

If the business closes, your entitlement to compensation will be calculated by reference to the profitability of the business. You should provide full accounts (including the detailed Profit & Loss pages) for the last three filed accounting years. If a further accounting year closes before the AA takes possession of your property, you should provide any further year accounts as soon as possible. You should also provide detailed calculations of any statutory redundancy payments that you make to staff. If you claim for the loss on forced sale of stock, fixtures and fittings, equipment etc, then you will need to provide a detailed inventory identifying the items where loss is claimed and evidence to substantiate the value claimed for whatever loss is incurred.

All heads of claim can be revised as and when more accurate costings or information becomes available.

Section E – Interference with rights over land etc

This section addresses matters relevant to the assessment of compensation and is to be completed by all claimants claiming compensation for the interference with a right over land or a restrictive covenant.

Q24) Compensation is payable for any loss or injury/damage caused by an interference with a right over land (such as an easement) or a restrictive covenant caused by compulsory acquisition or temporary possession of land.

Section F – Temporary possession

This section addresses matters relevant to the assessment of compensation and is to be completed by all claimants claiming compensation for temporary possession. Answering each question in as much detail as possible may assist in reducing the time that it takes to process and settle your claim.

Q25) Compensation is payable for any loss or injury arising from the temporary possession of the land.

'Loss' may include disturbance relating to costs incurred in removing from the land or other losses such as crop losses on agricultural land. 'Injury/damage' may include damage which is not capable of reinstatement when the period of temporary possession has ended.