



(c) crown copyright

Printed for the Cabinet. October 1954

SECRET

Copy No. 62

C. (54) 309

13th October, 1954

CABINET

TOWN AND COUNTRY PLANNING BILL

Concession for people whose land is compulsorily acquired where there ought to have been a claim under the 1947 Act but none was made

MEMORANDUM BY THE MINISTER OF HOUSING AND LOCAL GOVERNMENT

My colleagues all know about Mr. Pilgrim. In 1950 he bought half an acre of land for £400. That was much too high a price because of the effect of the Town and Country Planning Act, 1947. Had building been allowed a development charge was, at that time, payable; or had a public authority bought the land they would have paid only its value for its existing use. Meanwhile no claim on the £300 millions had been made for the land, and in 1950 it was too late for anyone to make a claim. Mr. Pilgrim was therefore paying for development value, but he was not getting it, nor any benefit in lieu. In 1953 the land was compulsorily acquired by the Romford Borough Council for housing purposes. Under the terms of the 1947 Act the Council could pay only £65, that being the existing use value.

2. Mr. Pilgrim had borrowed the money to buy the land, and the loss sustained seems to have so preyed upon his mind that he committed suicide.

3. Had a claim been made under the 1947 Act it would have been admitted at £335, and Mr. Pilgrim, as he had apparently paid the full value to the previous owner, would have been paid that sum (plus interest) by the Central Land Board when the current Bill becomes law. The Board would in due course have recovered the sum from Romford.

4. Mr. Pilgrim suffered under the 1947 Act. But our difficulty in maintaining this defence is that the current Bill does nothing to prevent equally hard cases arising in the future. The Bill does contain protection for people who buy land in future; they can find out if compulsory acquisition is threatened, and if they are told it is not and, nevertheless, the land is compulsorily bought within 5 years of their inquiry, they will be paid, in effect, market value. But it does nothing for people who already own land on which there ought to have been a claim but none was made.

5. If my colleagues feel that we must do something for future cases—and we are certainly going to be pressed to do so in the House of Lords—we could move an amendment to provide (putting it very briefly) that where land is bought compulsorily after the Bill becomes law, the Minister can, if he is satisfied that a claim would have been payable if made, and that it is reasonable in all the circumstances that some additional payment should be made on this account, fix a supplement which the acquiring authority would then be required to pay on top of the existing use value. Where it is decided that a supplement ought to be paid the amount would be related, as nearly as practicable, to what would have been due on a claim; but there would be no provision for arbitration.

If this is agreed, the Lord Chancellor would, presumably, indicate that a concession would be proposed when moving the Second Reading.

80

6. There was a good deal of pressure for some provision to meet "no claim" cases when the Bill was going through the Commons. I took the line that we must stick to the basis of admitted claims—and that was accepted. But I think that we could include a discretionary power of the kind outlined without imperilling the broad scheme. And it would enable us to meet the cases of greatest hardship.

The supplement would be payable by the acquiring authorities. That would include Departments acquiring land under compulsory powers.

8. The discretion would be limited to compulsory acquisition. It would not apply where a planning restriction was imposed—where an owner is told that he cannot build on his land but must keep it as it is. I think that this distinction is defensible.

9. The concession would not apply to cases where the acquisition has taken place before the new Bill becomes law—where land has been bought under the 1947 Act for existing use value only and there ought to have been a claim but none was made. Therefore it would not have helped Mr. Pilgrim. But it would enable the Government to say that they were ensuring that such cases could not occur in future. *A propos* Mr. Pilgrim, however, the Romford Council have asked me whether, if they now pay £300 to £400 to his widow, I will, as I have power to do, remove the expenditure from review by the District Auditor. It would be easier for me to agree to this if the Bill were to make such payments legal for future acquisition.

H. M.

*Ministry of Housing and Local Government, S.W. 1,
13th October, 1954.*