



Agricultural Tenancies Act 1995

1995 CHAPTER 8

PART III

COMPENSATION ON TERMINATION OF FARM BUSINESS TENANCY

Supplementary provisions with respect to compensation

24 Resumption of possession of part of holding.

(1) Where—

- (a) the landlord under a farm business tenancy resumes possession of part of the holding in pursuance of any provision of the tenancy, or
- (b) a person entitled to a severed part of the reversionary estate in a holding held under a farm business tenancy resumes possession of part of the holding by virtue of a notice to quit that part given to the tenant by virtue of section 140 of the ^{M1}Law of Property Act 1925,

the provisions of this Part of this Act shall, subject to subsections (2) and (3) below, apply to that part of the holding (in this section referred to as “the relevant part”) as if it were a separate holding which the tenant had quitted in consequence of a notice to quit and, in a case falling within paragraph (b) above, as if the person resuming possession were the landlord of that separate holding.

- (2) The amount of compensation payable to the tenant under section 16 of this Act in respect of any tenant’s improvement provided for the relevant part by the tenant and not consisting of planning permission shall, subject to section 20(2) to [F1(4A)] of this Act, be an amount equal to the increase attributable to the tenant’s improvement in the value of the original holding on the termination date as land comprised in a tenancy.
- (3) The amount of compensation payable to the tenant under section 16 of this Act in respect of any tenant’s improvement which consists of planning permission relating to the relevant part shall, subject to section 21(3) of this Act, be an amount equal to the increase attributable to the fact that the relevant development is authorised by the planning permission in the value of the original holding on the termination date as land comprised in a tenancy.

Changes to legislation: *Agricultural Tenancies Act 1995, Section 24 is up to date with all changes known to be in force on or before 29 May 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

- (4) In a case falling within paragraph (a) or (b) of subsection (1) above, sections 20 and 21 of this Act shall apply^[F2] (subject to subsection (4A) below) on the termination of the tenancy, in relation to the land then comprised in the tenancy, as if the reference in subsection (1) of each of those sections to the holding were a reference to the original holding.

^[F3](4A) Where—

- (a) the landlord and the tenant have agreed in writing, after the commencement of this subsection, to limit the amount of compensation payable under section 16 of this Act in respect of any tenant's improvement not consisting of planning permission,
- (b) that improvement is provided for both the relevant part and the land comprised in the tenancy after the termination date,
- (c) the case falls within paragraph (a) or (b) of subsection (1) above,
- (d) the tenant has already received compensation in respect of the improvement, determined in accordance with subsection (2) above, and
- (e) further compensation in respect of the improvement is payable under section 16 of this Act on termination of the tenancy,

the compensation limit referred to in section 20(4A) of this Act shall, for the purposes of determining that further compensation, be reduced by an amount equal to the amount of compensation already received by the tenant in respect of the improvement.]

- (5) In subsections (2) to ^[F4](4A) above—

“the original holding” means the land comprised in the farm business tenancy—

- (a) on the date when the landlord gave his consent under section 17 or 18 of this Act in relation to the tenant's improvement, or
- (b) where approval in relation to the tenant's improvement was given by an arbitrator, on the date on which that approval was given,

“the relevant development”, in relation to any tenant's improvement which consists of planning permission, has the meaning given by section 21(2) of this Act, and

“the termination date” means the date on which possession of the relevant part was resumed.

Textual Amendments

- F1** Word in s. 24(2) substituted (19.10.2006) by [Regulatory Reform \(Agricultural Tenancies\) \(England and Wales\) Order 2006 \(S.I. 2006/2805\)](#), arts. 1(1)(b), **17(1)** (with art. 10)
- F2** Words in s. 24(4) inserted (19.10.2006) by [Regulatory Reform \(Agricultural Tenancies\) \(England and Wales\) Order 2006 \(S.I. 2006/2805\)](#), arts. 1(1)(b), **17(2)** (with art. 10)
- F3** S. 24(4A) inserted (19.10.2006) by [Regulatory Reform \(Agricultural Tenancies\) \(England and Wales\) Order 2006 \(S.I. 2006/2805\)](#), arts. 1(1)(b), **17(3)** (with art. 10)
- F4** Word in s. 24(5) substituted (19.10.2006) by [Regulatory Reform \(Agricultural Tenancies\) \(England and Wales\) Order 2006 \(S.I. 2006/2805\)](#), arts. 1(1)(b), **17(4)** (with art. 10)

Marginal Citations

- M1** 1925 c. 20.

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 8A inserted by [2023 asc 4 s. 24\(4\)](#)
- s. 28(5)(za) inserted by [2023 asc 4 s. 24\(5\)](#)
- s. 36A inserted by [2023 asc 4 s. 24\(6\)](#)