EXPLANATORY MEMORANDUM TO

THE HOME LOSS PAYMENTS (PRESCRIBED AMOUNTS) (ENGLAND) REGULATIONS 2006

2006 No. 1658

1. This explanatory memorandum has been prepared by the Department for Communities and Local Government ("DCLG") and is laid before Parliament by Command of Her Majesty.

2. Description

These Regulations increase the amount of home loss payments payable, under section 30 of the Land Compensation Act 1973 ("the Act"), when a person is displaced from a dwelling by a compulsory purchase or the other circumstances specified in section 29 of the Act.

3. Matters of special interest to the Joint Committee on Statutory Instruments

None

4. Legislative Background

4.1 Following a consultation exercise in 2003, it was concluded that the amount of home loss payments under section 30 of the Land Compensation Act 1973 should be reviewed and amended annually in accordance with the house price index. This is an index for all properties in Great Britain and records increases in house prices. It is maintained by DCLG. .

4.2 The current amounts were prescribed by the Home Loss Payments (Prescribed Amounts) (England) Regulations 2005 (No. 1635).

5. Extent

This instrument applies to England.

6. European Convention on Human Rights

As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.

7. Policy background

7.1 Home loss payments are paid at a rate of 10% of the market value to owner-occupiers who are displaced from their homes as a result of compulsory purchase or certain housing orders. This is to compensate for the distress and inconvenience of having to move home at a time not of their choosing. These are subject to maximum

and minimum payments (in section 30(1) of the Act). Tenants receive a flat rate equal to the minimum payment to owner-occupiers (in section 30(2) of the Act).

7.2 The increase in the maximum and minimum amounts for owner-occupiers (in section 30(1) of the Act) and the flat rate for other occupiers (in section 30(2) of the Act) reflects an increase in line with changes to the house price index since the review which preceded S.I. 2005/1635, which increased the amounts with effect from 1 September 2005.

8. Impact

A Regulatory Impact Assessment has not been prepared for this instrument as it puts into effect an annual up-rating in line with house price inflation.

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9. Contact

Cyril Kearney at the Department for Communities and Local Government Tel: 0207 944 3915 or e-mail: cyril.kearney@communities.gsi.gov.uk can answer any queries regarding the instrument.