

EXPLANATORY MEMORANDUM TO
THE HOME LOSS PAYMENTS (PRESCRIBED AMOUNTS) (ENGLAND)
REGULATIONS 2018

2018 No. 915

1. Introduction

- 1.1 This explanatory memorandum has been prepared by the Ministry of Housing, Communities and Local Government and is laid before Parliament by Command of Her Majesty.

2. Purpose of the instrument

- 2.1 These Regulations prescribe the maximum and minimum amount of home loss payments payable under section 30(1) of the Land Compensation Act 1973 (c.26) (“the Act”) and the amount payable under section 30(2) of the Act when a person is displaced from a dwelling on any land by compulsory purchase or other circumstances specified in section 29 of the Act.

3. Matters of special interest to Parliament

Matters of special interest to the Joint Committee on Statutory Instruments

- 3.1 None.

Matters relevant to Standing Orders Nos. 83P and 83T of the Standing Orders of the House of Commons relating to Public Business (English Votes for English Laws)

- 3.2 As the instrument is subject to negative resolution procedure there are no matters relevant to Standing Orders Nos. 83P and 83T of the Standing Orders of the House of Commons relating to Public Business at this stage.

4. Extent and Territorial Application

- 4.1 The territorial extent of this instrument is England and Wales.
- 4.2 The territorial application of this instrument is England only because it applies in relation to cases of displacement from dwellings on any land in England only (see Regulation 1(2) of the instrument).

5. European Convention on Human Rights

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

6. Legislative Context

- 6.1 Section 30(5) of the Act provides that the Secretary of State can by regulations prescribe a different maximum or minimum amount and flat rate payable as a home loss payment.
- 6.2 The current home loss payment thresholds and flat rate are set out in the Home Loss Payments (Prescribed Amounts) (England) Regulations 2017 (SI 2017 No 769) (“the 2017 Regulations”) which came into force on 1st October 2017.

6.3 These Regulations prescribe increased maximum and minimum home loss payment thresholds and an increased flat rate payment.

7. Policy background

What is being done and why?

7.1 Home loss payments are payable under the Act to owner-occupiers and tenants of dwellings displaced by compulsory purchase or public redevelopment. They are intended to compensate people for the distress and inconvenience of having to move home at a time not of their choosing.

7.2 They are paid

(a) to an owner-occupier at a rate of 10% of the market value of their interest in a dwelling, subject to maximum and minimum thresholds; and

(b) to a tenant at a flat rate equal to the minimum payment to an owner-occupier.

7.3 The thresholds are reviewed annually. The new threshold has been calculated according to the Office of National Statistics' UK House Price Index. This showed an increase in house prices since 2017.

7.4 The Government has therefore decided to increase the maximum and minimum thresholds to £63,000 and £6,300 respectively and the flat rate to £6,300.

7.5 These Regulations implement this change.

7.6 The current thresholds and flat rate will however continue to apply in relation to an owner-occupier or tenant displaced before 1st October 2018.

8. European Union (Withdrawal) Act/Withdrawal of the United Kingdom from the European Union

8.1 This instrument does not relate to withdrawal from the European Union / trigger the statement requirements under the European Union (Withdrawal) Act 2018.

9. Consolidation

9.1 No consolidation is required as these Regulations replace the 2017 Regulations.

10. Consultation outcome

10.1 Consultation is not normally undertaken in relation to prescribing the amounts of homes loss payments.

11. Guidance

11.1 The Ministry of Housing, Communities and Local Government will inform local authorities and private registered providers of social housing of the increased thresholds and flat rate.

12. Impact

12.1 There is no, or no significant, impact on business, charities or voluntary bodies.

12.2 The impact on the public sector is that acquiring authorities will need to pay more compensation where qualifying tenants are displaced or where owner-occupied properties affected by the new thresholds are acquired. It is not possible to quantify

this as the number and value of dwellings taken by compulsory purchase or other circumstances specified in section 29 of the Act in any year is unknown.

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

13. Regulating small business

- 13.1 The legislation does not apply to activities that are undertaken by small businesses.

14. Monitoring & review

- 14.1 The approach to monitoring of this legislation is to review the home loss payment thresholds and flat rate annually.
- 14.2 The Regulations do not include a statutory review clause.

15. Contact

- 15.1 Theresa Donohue at the Ministry of Housing, Communities and Local Government Telephone: 030344 41719 or email: theresa.donohue@communities.gsi.gov.uk can be contacted with any queries regarding the instrument.
- 15.2 Lucy Hargreaves (Deputy Director Planning - Development Management) at the Ministry of Housing, Communities and Local Government can confirm that this Explanatory Memorandum meets the required standard.
- 15.3 Lord Bourne of Aberystwyth at the Ministry of Housing, Communities and Local Government can confirm that this Explanatory Memorandum meets the required standard.