



Havering
LONDON BOROUGH

HAVERING COUNCIL'S HOUSING REGENERATION PROGRAMME

HOUSING REGENERATION PACK

(7) Home Loss Payments & Disturbance Compensation

This document provides information on the payment of statutory Home Loss and Disturbance Payments to residents affected by the Housing Regeneration Programme.

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1. INTRODUCTION

- 1.1. This document sets out information about home loss and disturbance payments.
- 1.2. Qualifying residents and property owners who are being displaced as a result of regeneration plans or because of a programme of modernisation and development work have a statutory entitlement to a home loss, or basic loss payment to cover the loss of their home, as well as disturbance payments to cover any costs reasonably incurred in moving and/or purchasing a new property.
- 1.3. The chart below summarises the information on payments and compensation.

Payments and Compensation Summary			
Tenure	Market value of the home	Home Loss Payment	Disturbance Compensation
Council tenant	Not applicable	£6,100 Home Loss Payment	Yes entitled to claim
Resident Leaseholder	10% above full market value	10% home loss payment at a minimum of £6,100 and maximum of £61,000	Yes entitled to claim
Freeholder	Full market value	10% home loss payment at a minimum of £6,100 and maximum of £61,000	Yes entitled to claim
Non-resident Freeholder	Full market value	7.5% basic loss payment at a minimum of £7,500 and maximum of £75,000	Yes eligible to claim for the legal costs of selling the affected property and acquiring a new home
Non-resident Leaseholder	Full market value	7.5% basic loss payment at a minimum of £7,500 and maximum of £75,000	Yes eligible to claim for the legal costs of selling the affected property and acquiring a new home
Private tenant	Not applicable	Yes entitled to claim provided that he/she has occupied the dwelling for a period longer than a year ending on the date of displacement under a qualifying tenancy agreement	Yes entitled to claim for the costs of moving out of the affected property providing the tenant meets specified criteria
Tenants in the Council's private sector leased (PSL) and Houses in Multiple Occupation (HMO)	Not applicable	Not applicable	Not applicable

Note: figures are based on current prescribed amounts and may subject to increase.

2. HOME LOSS PAYMENTS

2.1. A Home Loss Payment is made where qualifying residents are required to leave their home due to a Local Authorities plans for regeneration. The payment is a sum in recognition of the inconvenience of having to move out of an existing home. While the basis on which a Home Loss Payments can only be made is set out in statute, the Council has undertaken to make a Home Loss Payment to all qualifying residents displaced as a result of its regeneration proposals. Where there is no statutory requirement to make a Home Loss Payment the Council will therefore offer qualifying residents a Home Loss Payment on a voluntary basis

Home Loss Payment entitlement criteria

- 2.2. A resident should:
- Have lived in the affected dwelling, or a substantial part of it, as their only or main residence for a period of at least 12 consecutive months. Proof of residency is required to support an application for a Home Loss Payment, for example, mortgage statements, Council Tax receipts, bank statements and utility bills; and
 - Have an interest or right to occupy the property that is freehold, leasehold, statutory tenancy or restricted contract under the Rent Act 1977, or a right to occupy under the terms of the employment or under a licence where secure tenancy or introductory tenancy provisions apply.

Additional criteria

- 2.3. The following criteria are additional to the criteria in 2.2 above, and applicable:
- Home Loss Payments will only be paid once in all circumstances for the displacement from the property affected by the Regeneration Programme; and
 - Home Loss Payments are subject to the resident surrendering their tenancy of the property affected and giving vacant possession to the Council in order for it to be redeveloped through the programme, and will only be payable once the tenant or owner has handed back the keys to their property to the Council (unless there are exceptional circumstances as agreed by the Director of Housing Services); and
 - Joint tenants or co-owners will be entitled to one Home Loss Payment to share between them; and
 - Squatters and trespassers will not be paid a Home Loss Payment or Disturbance Payment; and
 - Tenants who are being evicted prior to the decant will not receive a Home Loss Payment; and

- Home Loss Payment will not be paid to a tenant living in the property on a temporary or non-secure tenancy or licence as a result of being homeless (e.g. Council's PSL/HMO).

Home Loss Payment Levels

- 2.4. The level of home loss compensation is set by the Government in accordance with the Planning and Compensation Act (1991), the Land Compensation Act (1973) and Home Loss Payments (Prescribed Amounts) (England) Regulations (2017). The level is reviewed annually.

Set-off of debts owed to the Council

- 2.5. The Council reserves the right to seek to debit part or all of the Home Loss Payment to settle outstanding debts owed by council tenants i.e. rent arrears by way of equitable set-off. Residents must therefore make every effort to clear any debt owed.
- 2.6. Home loss payment will be paid following deductions of:
- Any rent arrears against the property (including former tenant arrears);
 - Any court costs regarding the tenancy;
 - Any garage rent arrears owed by the tenant;
 - Any Council Tax arrears in respect of the property;
 - Any re-charges in relation to property damage, caused either deliberately or through neglect;
 - As Napier House and New Plymouth House is not being used for temporary accommodation re-charges in relation to property damage will not be deducted from the Home Loss Payment

Administration of Home Loss Payment

- 2.7. **Property owners** - When the Council completes the valuation of the home, a valuation letter will be sent which will include the market value of the home and entitlement for home loss payment.
- 2.8. **Council tenants** – When a property has been identified for a tenant to move into, the Council will notify you of the Home Loss Payment entitlement. Home Loss Payments will be made net of the above debts. Council tenants have the right to request a review of any proposed or actual deductions providing this is received in writing within 14 days of notification of such deductions.
- 2.9. The compensation payments set out within any documentation will be conditional on occupiers providing vacant possession of the property and payments will only be made after keys to the property have been handed to the Council with vacant possession.

- 2.10. Depending on individual circumstances, the Council is required to make payment on or before the latest of:
- The date of displacement; or
 - Within three months from the date of the displacement; or
 - The date on which the market value of interest was agreed or determined or paid.
- 2.12. The Council will make payments directly into the resident's bank or savings account.
- 2.13. Home Loss Payments made where there is no Compulsory Purchase Order (CPO) in place on the property are made in the discretion of the Council. This is because the Council is not obliged by law to make a payment unless there is a CPO in place and only under such circumstance there will be a statutory requirement to make a payment to affected residents.

3. DISTURBANCE COMPENSATION

- 3.1. Disturbance compensation is paid where residents are required to leave their home to compensate for reasonable financial costs associated with moving and acquiring a new home. The aim of the payment is to cover the **expenses** of moving so that the resident is not financially better or worse off as a result of the regeneration programme.
- 3.2. Disturbance compensation is generally restricted to legal occupiers. However investment owners (non-resident leaseholders/freeholders) can claim for reimbursement of the reasonable legal costs incurred in acquiring a replacement UK property within 12 months of the acquisition of the new property.
- 3.3. 'Reasonable costs' do **not** include weekly rent payments or any other personal loss incurred through the process that should normally be covered by an occupier's own insurance policy.
- 3.4. Disturbance compensation can be claimed for:
- Expenses related to arranging own removal or the Council would arrange removals and pay for these directly.
 - Re-direction of mail for each authorised surname living at the address (for one year only)
 - Alterations to furnishings, e.g. uplifting, refitting and alteration of carpets and curtains
 - Disconnection and re-connection of services e.g. broadband, phone line and domestic appliances
 - Moveable fixtures and fittings e.g. light fittings
 - Special adaptations previously assessed as required in the new property

- Refitting of special locks and alarms
- Costs of new school uniforms if being rehoused in a different area and children need to change schools
- Replacement carpets, curtains white goods or furniture (reasonable costs allowed if residents can demonstrate existing furnishings, white goods or furniture will not fit in new home or be modified)
- Legal fees arising from the sale of the property and the acquisition of a replacement property including;
 - Solicitor and surveyor fees arising from the sale of the current home and acquisition of a replacement property
 - Mortgage redemption and arrangement fees
 - Stamp Duty land tax arising from the acquisition of a new property (up to the agreed value of the home)

This list is not exhaustive and other reasonable additional costs incurred by residents may be met. Regeneration Housing Officers will be able to advise whether an expense will be considered reasonable.

Disturbance Compensation Levels

- 3.5. The level of disturbance compensation will vary from claim to claim and is dependent on claimant's specific circumstances. Payments will be made for each eligible item.
- 3.6. Property owners will be entitled to claim for reimbursement of the purchase costs reasonably incurred when acquiring a new property. The level of reimbursement will be assessed in line with normal compensation principles. Owners should be aware that purchase costs in excess of those that would be incurred for the purchase of a home of equivalent value to their existing home may not be reimbursed.
- 3.7. Council tenants – payments will be made to cover each move. For tenants who move into alternative accommodation as their settled accommodation, the payment will be made once. For tenants who move twice (to an initial home and back to the redeveloped home), the payment will be made twice. This does not apply to Home Loss Payments which are only paid once.

Administration of Disturbance Compensation

- 3.8. In line with Government guidance, it is the Council's policy to require residents to provide supporting evidence for the claim. Therefore, residents will be asked to provide receipts or invoices for each item being claimed for. Individuals will need to prove they should be compensated rather than expecting the Council to pay without supporting proof of expenditure.

- 3.9. In order to make a claim, an application form must be completed. The claim should be made in writing and it is advisable for it to be made as soon as possible after all the information necessary to support the claim is available
- 3.10. Payments will be paid directly to the resident (main or joint bank account).
- 3.11. The Council will have a contractor to help residents to assist with removals, disconnection and reconnection of appliances and other actions associated with the moving process. In such cases, residents can choose to have an 'assisted move' through the Council or make their own arrangements. The Council can refuse costs which are considered unreasonable and all services used must comply with the appropriate trading standards. In all cases residents are advised to check with the Council **before** choosing their own service providers in order to ensure that the cost is considered reasonable to be covered by a disturbance compensation.
- 3.12. Should a property owner use their own service provider, it is advised that receipts and invoices are on a company headed paper with information about VAT number, company registration and contact details.
- 3.13. If there is a dispute over whether the Council will pay for an item or an amount, then either the person concerned or the Council can apply to the Upper Tribunal (Lands Chamber) for a decision on this. Independent advice or a third party arbitration process may also be considered depending on the individual circumstances of the case.

Advance Payments

- 3.14. The Council will ensure that, where appropriate, displaced residents and property owners have an entitlement to receive an advance payment on the same basis they would be entitled to receive one in the event of compulsory acquisition. The Council will consider requests for voluntary advance payments on a case-by-case basis
- 3.15. If the Council has taken possession of any land under its compulsory purchase powers, there is an obligation to make an advance payment of compensation, if the claimant makes a request (section 52, LCA 1973).
- 3.16. In this case, the advance payment must be 90% of the amount estimated by the Council or 90% of the amount agreed between the Council and claimant. The payment is registerable as a local land charge by the Council and can be set off against any payment to a subsequent owner.