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## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations, which apply to Wales, increase the maximum and minimum amounts of home loss payments payable under the Land Compensation Act 1973 (“the Act”) to those with an owner’s interest in a dwelling. They also increase the amount of home loss payment payable in any other case.

A person who is displaced from a dwelling by compulsory purchase or in other circumstances specified in section 29 of the Act is entitled to a home loss payment. The present basis for assessing the amount of home loss payment was established by amendments to the Act in the Planning and Compulsory Purchase Act 1991.

Section 30(1) of the Act provides that in cases where a person occupying a dwelling on the date of displacement has an owner’s interest, the amount of home loss payment is calculated as a percentage of the market value of that interest, subject to a maximum and minimum amount.

Section 30(2) prescribes the amount of the home loss payment in any other case.

Regulation 2(a) of these Regulations increases the maximum amount payable under section 30(1) of the Act from £38,000 to £40,000 and regulation 2(b) increases the minimum amount from £3,800 to £4,000. Regulation 2(c) increases the home loss payment payable, under section 30(2) of the Act, in any other case from £3,800 to £4,000.

Only the maximum and minimum amounts of home loss payments are changed and there is no change to the percentage payable of the market value of the displaced person’s interest in the dwelling.

The revised amounts apply where the displacement occurs on or after 1 September 2006.

These Regulations provide that the Home Loss Payments (Prescribed Amounts) (Wales) Regulations 2005 will continue to have effect in relation to a displacement occurring before the date on which these Regulations come into force but are otherwise revoked.