
REMOVAL EXPENSES & HOME LOSS PAYMENTS

1 SUMMARY

- 1.1 Members to agree a fixed sum allowance for those tenants subject to the decanting exercise at Hardwick House sheltered housing scheme in Rayleigh.

2 INTRODUCTION

- 2.1 Members will recall that at the Member Budget Monitoring Sub Committee on 20 November 2001, the Sub-Committee agreed to support the Housing Corporation bid submitted by Swan Housing Association in respect of Hardwick House. This report sets out the proposed level of allowances to be paid to tenants affected by the development. Although final funding decisions on the new development are still awaited, it is necessary to put in place these arrangements to avoid any delay later.
- 2.2 Tenants will be required to have vacated their accommodation before building works commence. Members will appreciate that as most of the tenants are on fixed incomes, the added expense of moving will cause hardship. As in similar past cases the Council pays for all removals. This will also serve to ensure the timetable to vacate the necessary flats is not overrun.
- 2.3 In addition tenants are entitled to a Home loss payment under the Land Compensation Act 1973.

3 REMOVAL RESOURCE IMPLICATIONS

- 3.1 The Council has been able to obtain heavily discounted removal costs from a local firm. The average cost of carpeting each flat is based on quotations from a local shop.
- 3.2 Two types of allowances are proposed. Firstly for tenants who have chosen to move from Hardwick House and not return to the Swan Housing Association complex, a "Type A" allowance of £675.00.
- 3.3 In cases where tenants have chosen to return to the Swan Housing Association complex a "Type B" allowance of £861.00 is proposed. A breakdown of both allowance types is given on the attached appendix.
- 3.4 By giving a cash allowance tenants will be able to have the freedom of choice in carpet design and quality. This will also help to save on administration costs.

4 HOME LOSS IMPLICATIONS

- 4.1 Home loss payment is compensation for personal upset caused if you are compulsorily moved out of your home. You must have a legal “interest in the dwelling” (e.g. a tenant), have been moved as a direct consequence of improvement or redevelopment by a local authority or housing association, have lived in the house for more than one year prior to the date of moving and have moved permanently. The “paying body” should be the body responsible for the compulsory move.
- 4.2 Home loss payments are made under the Land Compensation Act 1973: Revision of Thresholds (S1 2003 N0 1706). The Home Loss payments (England) Regulations 2003 (Statutory Instrument 2003 No. 1706) made under section 30 of the Land Compensation Act 1973 (as amended) and come into force on 1 September 2003. The Government has decided to raise the flat rate paid to tenants from £1,500 to £3,100 from 1st September 2003. The previous thresholds were set in 1991.
- 4.3 Decanting of Hardwick House started in November 2002 and three tenants have moved to other accommodation. Opinion is that these tenants are liable to receive the Home Loss Payment in the lesser sum.

5 FINANCIAL AND RESOURCE IMPLICATION

- 5.1 On the basis of past and future removals the direct cost to the Capital Project is as follows:

3 x £1,500	=	£ 4,500
16 x £3,100	=	£49,600
16 x £ 675	=	<u>£10,800</u>
Total	=	<u>£64,900</u>

6 RISK MANAGEMENT IMPLICATIONS

Strategic Risk

- 6.1 The Council have, for some years, been attempting to develop the Hardwick House site. The smooth decanting of tenants from their existing accommodation is an integral part of the redevelopment process and one which needs to be addressed with some urgency to keep within the proposed timetable.
- 6.2 Council staff are well acquainted with the decanting process having recently managed the successful decanting and refurbishment of The Lavers where compliments were received regarding the smooth running of the exercise.

Regulatory Risk

- 6.3 Failure to pay the Removal and Home Loss Payment (which are legal requirements) would jeopardise the progression of the Hardwick House project.

7 RECOMMENDATION

- 7.1 It is proposed that the Committee **RESOLVES**

- (1) That the sum of £675.00 be paid as a Type "A" removal fee from Hardwick House (permanent move).
- (2) That the sum of £861.00 be paid as a Type "B" removal fee from Hardwick House (returning to the Swan Housing Association Complex when completed).
- (3) That the Home loss payment of £3,100 from the 1st September 2003 will be paid to tenants compulsorily moved from Hardwick House.
- (4) That the lower Home Loss Payment of £1500 be paid to those tenants who have already vacated. (HRHM)

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Background Papers:

None

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APPENDIX

TYPE "A" REMOVAL – (Tenants moving out of Hardwick House and not returning to the New Build)

Removals	£147.00
Carpets & underlay for the New flat, Lounge/Hall/ Bedroom/Bathroom	£475.00
Telephone	£20.00
Redirection of Mail (1year)	£33.00
Total	£675.00

TYPE "B" REMOVAL – (Tenants wishing to return to the New Build when completed)

Removals (£147 x 2)	£294.00
Carpets & underlay for the New flat, Lounge/Hall/ Bedroom/Bathroom	£475.00
Telephone (£20 x 2)	£40.00
Redirection of Mail (1 year 6months)	£52.00
Total	£861.00