



Land Compensation (Scotland) Act 1973

1973 CHAPTER 56

PART III

PROVISIONS FOR BENEFIT OF PERSONS DISPLACED FROM LAND

Home loss payments

27 Right to home loss payment where person displaced from dwelling

- (1) Where a person is displaced from a dwelling on any land in consequence of—
 - (a) the compulsory acquisition of an interest in the dwelling ;
 - (b) the making, passing or acceptance of a housing order, resolution or undertaking in respect of the dwelling;
 - (c) where the land has been previously acquired by an authority possessing compulsory purchase powers Or appropriated by a local authority and is for the time being held by the authority for the purposes for which it was acquired or appropriated, the carrying out of redevelopment on the land,he shall, subject to the provisions of this section and section 29 below, be entitled to receive a payment (hereafter referred to as a "home loss payment") from the acquiring authority, the authority who made the order, passed the resolution or accepted the undertaking or the authority carrying out the redevelopment, as the case may be.
- (2) A person shall not be entitled to a home loss payment unless throughout a period of not less than five years ending with the date of displacement—
 - (a) he has been in occupation of the dwelling, or a substantial part of it, as his only or main residence ; and
 - (b) he has been in occupation as aforesaid by virtue of an interest or right to which this section applies.
- (3) For the purposes of this section a person shall not be treated as displaced from a dwelling in consequence of the compulsory acquisition of an interest therein if he gives up his occupation thereof before the date on which the acquiring authority were

Status: This is the original version (as it was originally enacted).

authorised to acquire that interest, but, subject to that, it shall not be necessary for the acquiring authority to have required him to give up his occupation of the dwelling.

- (4) This section applies to the following interests and rights—
- (a) any interest in the dwelling ;
 - (b) a right to occupy the dwelling as a statutory tenant within the meaning of the Rent (Scotland) Act 1971 or under a contract to which Part VII of that Act (furnished lettings) applies or would apply if the contract or dwelling were not excluded by section 85(3)(a) or 86 of that Act;
 - (c) a right to occupy the dwelling under a contract of employment.
- (5) No home loss payment shall be made to any person displaced from a dwelling in consequence of the compulsory acquisition of an interest therein if the acquisition is in pursuance of the service by him of a blight notice within the meaning of section 181 of the Town and Country Planning (Scotland) Act 1972 or of a notice under section 11 of the New Towns (Scotland) Act 1968.
- (6) Where an authority possessing compulsory purchase powers acquire the interest of any person in a dwelling by agreement, then, in relation to any other person who is displaced from the dwelling in consequence of the acquisition, subsections (1) to (4) above shall have effect as if the acquisition were compulsory and the authority (if not authorised to acquire the interest compulsorily) had been so authorised on the date of the agreement.
- (7) In this section " a housing order, resolution or undertaking " means—
- (a) a demolition or closing order under Part II of the Housing (Scotland) Act 1966 ;
 - (b) a resolution under section 56 of the said Act of 1966 ; or
 - (c) an undertaking accepted under section 15(4)(i) of the said Act of 1966 ;
- and " redevelopment" includes a change of use.
- (8) Where an interest in a dwelling is vested in trustees and a person beneficially entitled (whether directly or derivatively) under the trust is entitled or permitted by reason of his interest to occupy the dwelling, he shall be treated for the purposes of this section as occupying it by virtue of an interest in the dwelling.
- (9) This section applies if the date of displacement is on or after 17th October 1972.

28 Amount of home loss payment

- (1) Subject to subsection (2) below, the amount of a home loss payment shall be an amount equal to the rateable value of the dwelling multiplied by six, subject to a maximum of £1,500 and a minimum of £150.
- (2) The Secretary of State may from time to time by order prescribe a different multiplier and a different maximum or minimum for the purposes of subsection (1) above; and the power to make orders under this subsection shall be exercisable by statutory instrument subject to annulment in pursuance of a resolution of either House of Parliament.
- (3) For the purposes of this section the rateable value of a dwelling shall be determined as follows—

- (a) if the dwelling consists of lands and heritages for which a rateable value is shown in the valuation roll in force on the date of displacement, it shall be that rateable value;
 - (b) if the dwelling forms part only of such lands and heritages or consists or forms part of more than one unit of such lands and heritages, an apportionment or aggregation of the rateable value or values so shown shall be made by the assessor and the rateable value of the dwelling shall be taken to be the amount certified by him as being the amount which, on such an apportionment or aggregation, is properly attributable to the dwelling;
 - (c) if neither paragraph (a) nor paragraph (b) of this subsection applies to the dwelling, its rateable value shall be determined by the assessor in accordance with the Valuation Acts.
- (4) This section shall be construed as one with the Valuation and Rating (Scotland) Act 1956.

29 Supplementary provisions about home loss payments

- (1) Subject to subsection (8) below, no home loss payment shall be made except on a claim in that behalf made by the person entitled thereto (" the claimant") before the expiration of the period of six months beginning with the date of displacement; and any such claim shall be in writing and shall be accompanied or supplemented by such particulars as the authority responsible for making the payment may reasonably require to enable them to determine whether the claimant is entitled to a payment and, if so, its amount.
- (2) A home loss payment shall be made not later than three months after the date on which a claim for the payment is made in accordance with subsection (1) above or, if those three months end before the date of displacement, on the date of displacement.
- (3) Where the claimant has been in occupation of a dwelling or a substantial part of it as mentioned in paragraphs (a) and (b) of section 27(2) above for any period (" the claimant's own qualifying period ") and has also for an immediately preceding period resided in the dwelling, or a substantial part of it, as his only or main residence but without being in occupation as required by those paragraphs then, if another person was, or other persons successively were, in occupation thereof as mentioned in those paragraphs throughout that preceding period, the claimant's own qualifying period shall be treated for the purposes of section 27(2) above as including that preceding period.
- (4) Where a person (" the deceased") dies before the expiration of the period for making a claim to a home loss payment and would have been entitled to such a payment if he had made a claim within that period, a claim to that payment may be made, before the expiration of that period, by any person, not being a person under the age of eighteen, who—
- (a) throughout a period of not less than five years ending with the date of displacement of the deceased, has resided in the dwelling, or a substantial part of it, as his only or main residence ; and
 - (b) is entitled to benefit by virtue of—
 - (i) a testamentary disposition or any other deed with testamentary effect taking effect on, or the law of intestate succession as applied to, the death of the deceased; or
 - (ii) a right to jus relictii, jus relictiae or legitim out of the deceased's estate.

Status: This is the original version (as it was originally enacted).

- (5) Where the claimant has successively been in occupation of or resided in different dwellings in the same building, being dwellings consisting of a room or rooms not constructed or structurally adapted for use as a separate dwelling, section 27(2) above and subsections (3) and (4) above shall have effect as if those dwellings were the same dwelling.
- (6) Where there are two or more persons entitled to make a claim to a home loss payment in respect of the same dwelling (whether by virtue of joint occupation or of subsection (4) above) the payment to be made on each claim shall be equal to the whole amount of the home loss payment divided by the number of such persons.
- (7) Where an interest in a dwelling is acquired by agreement by an authority possessing compulsory purchase powers, the authority may, in connection with the acquisition, make to the person from whom the interest is acquired a payment corresponding to any home loss payment which they would be required to make to him if the acquisition were compulsory and the authority had been authorised to acquire that interest before he gave up occupation of the dwelling.
- (8) Where the date of displacement is before 23rd May 1973 the period within which a claim to a home loss payment can be made shall be the period of six months beginning with that date.

30 Home loss payments for certain caravan dwellers

- (1) Sections 27 to 29 above shall, so far as applicable, have effect in relation to a person residing in a caravan on a caravan site who is displaced from that site as they have effect in relation to a person displaced from a dwelling on any land but shall so have effect subject to the following modifications.
- (2) No home loss payment shall be made to any person by virtue of this section except where no suitable alternative site for stationing a caravan is available to him on reasonable terms.
- (3) Subsection (1) of section 27 above shall have effect as if for the words preceding paragraph (a) there were substituted the words " Where a person residing in a caravan on a caravan site is displaced from that site in consequence of " and subsection (2) of that section shall have effect as if for paragraphs (a) and (b) there were substituted—
 - “(a) he has been in occupation of the caravan site by using a caravan stationed on it as his only or main residence; and
 - (b) he has been in occupation of the site as aforesaid by virtue of an interest or right to which this section applies.”
- (4) Section 28(3) above shall have effect as if—
 - (a) paragraph (b) were omitted ; and
 - (b) in paragraphs (a) and (c) for the word " dwelling " there were substituted the words " caravan site together with a caravan ".
- (5) Section 29 above shall have effect—
 - (a) as if in subsection (3) for the words " in occupation of a dwelling or a substantial part of it", " resided in the dwelling, or a substantial part of it" and " in occupation thereof" there were substituted respectively the words " in occupation of a caravan site " , " resided in a caravan on that site " and " in occupation of that site ";

Status: This is the original version (as it was originally enacted).

- (b) as if in subsection (4) for the words "resided in the dwelling, or a substantial part of it" there were substituted the words "resided in a caravan on the caravan site"; and
- (c) as if for subsection (5) there were substituted—
 - “(5) Where any land comprises two or more caravan sites and the claimant has successively been in occupation of or resided in a caravan on different caravan sites on that land, section 27 (2) above and subsections (3) and (4) above shall have effect as if those sites were the same site.”.
- (6) Sections 27 to 29 above shall have effect as if in any provision not modified as aforesaid for any reference to a dwelling or land there were substituted a reference to a caravan site.
- (7) In this section "caravan site" means land on which a caravan is stationed for the purpose of human habitation and land which is used in conjunction with land on which a caravan is so stationed.

Farm loss payments

31 Right to farm loss payment where person displaced from agricultural unit

- (1) Where land constituting or included in an agricultural unit is land in respect of which the person in occupation of the unit has an owner's interest, then if—
 - (a) in consequence of the compulsory acquisition of his interest in the whole of that land ("the land acquired") he is displaced from the whole of that land; and
 - (b) not more than three years after the date of displacement he begins to farm another agricultural unit ("the new unit") elsewhere in Great Britain,he shall, subject to the provisions of this section and section 33 below, be entitled to receive a payment (hereafter referred to as a "farm loss payment") from the acquiring authority.
- (2) In subsection (1) above "owner's interest" means the interest of an owner or a lessee under a lease, being a lease the unexpired period of which on the date of displacement is not less than three years, or the interest of a crofter or a landholder;
- (3) For the purposes of this section a person is displaced from land in consequence of the compulsory acquisition of his interest therein if, and only if, he gives up possession thereof—
 - (a) on being required to do so by the acquiring authority;
 - (b) on completion of the acquisition; or
 - (c) where the acquiring authority permit him to remain in possession of the land under a lease, or a right or permission relating to land but not amounting to an estate or interest therein, of a kind not making him a tenant as defined in the Agricultural Holdings (Scotland) Act 1949, on the expiration of that lease or right or permission;and references in this section and section 32 below to the date of displacement are references to the date on which the person concerned gives up possession as aforesaid.

Status: This is the original version (as it was originally enacted).

- (4) No farm loss payment shall be made to any person unless on the date on which he begins to farm the new unit he is in occupation of the whole of that unit in right of an interest as owner thereof or a lease thereof, not having been entitled to any such interest or lease before the date on which the acquiring authority were authorised to acquire his interest in the land acquired.
- (5) No farm loss payment shall be made by virtue of the displacement of a person from any land if he is entitled to a payment under section 12 of the Agriculture (Miscellaneous Provisions) Act 1968 in consequence of the acquisition of an interest in, or the taking of possession of, that land.
- (6) No farm loss payment shall be made to any person displaced from land in consequence of the compulsory acquisition of his interest therein if the acquisition of his interest in the whole or any part of that land is in pursuance of the service by him of a blight notice within the meaning of section 181 of the Town and Country Planning (Scotland) Act 1972 or a notice under section 11 of the New Towns (Scotland) Act 1968.
- (7) This section applies if the date of displacement is on or after 17th October 1972.

32 Amount of farm loss payment

- (1) Subject to the provisions of this section, the amount of any farm loss payment shall be equal to the average annual profit derived from the use for agricultural purposes of the agricultural land comprised in the land acquired ; and that profit shall be computed by reference to the profits for the three years ending with the date of displacement or, if the person concerned has then been in occupation for a shorter period, that period.
- (2) Where accounts have been made up in respect of the profits of the person concerned for a period or consecutive periods of twelve months and that period or the last of them ends not more than one year before the date of displacement, subsection (1) above shall have effect as if the date on which that period or the last of those periods ends were the date of the displacement.
- (3) Where the date of displacement is determined in accordance with section 31(3)(c) above and the person concerned has on that date been in occupation for more than three years, he may elect that the average annual profit shall, instead of being computed by reference to the profits for the years mentioned in subsection (1) above, be computed by reference to the profits for—
 - (a) any three consecutive periods of twelve months for which accounts in respect of his profits have been made up, being periods for which he has been in occupation and the last of which ends on or after the date of completion of the acquisition ; or
 - (b) if there are no such periods as aforesaid, any three consecutive years for which he has been in occupation and the last of which ends on or after the date mentioned in paragraph (a) above.
- (4) In calculating the profits mentioned in subsection (1) above there shall be deducted a sum equal to the rent that might reasonably be expected to be payable in respect of the agricultural land comprised in the land acquired if it were let for agricultural purposes to a tenant responsible for rates, repairs and other outgoings; and that deduction shall be made whether or not the land is in fact let and, if it is, shall be made to the exclusion of any deduction for the rent actually payable.

- (5) In calculating the profits mentioned in subsection (1) above there shall be left out of account profits from any activity if a sum in respect of loss of profits from that activity would fall to be included in the compensation, so far as attributable to disturbance, for the acquisition of the interest in the land acquired.
- (6) Where the value of the agricultural land comprised in the land acquired exceeds the value of the agricultural land comprised in the new unit the amount of the farm loss payment shall be proportionately reduced.
- (7) For the purposes of subsection (6) above the value of any land shall be assessed—
 - (a) on the basis of its value as land used solely for agriculture and as for an interest as owner thereof with vacant possession;
 - (b) by reference to the condition of the land and its surroundings and to prices current—
 - (i) in the case of the land comprised in the land acquired, on the date of displacement;
 - (ii) in the case of land comprised in the new unit, on the date on which the person concerned begins to farm the new unit;
 - (c) in accordance with rules (2) to (4) of the rules set out in section 12 of the Land Compensation (Scotland) Act 1963;
 - (d) without regard to the principal dwelling, if any, comprised in the same agricultural unit as that land.
- (8) The amount of a farm loss payment shall not be greater than the amount, if any, by which—
 - (a) that payment, calculated apart from this subsection, together with compensation for the acquisition of the interest in the land acquired assessed on the assumptions mentioned in section 5(2), (3) and (4) above, (including any sum included as compensation for disturbance), exceeds
 - (b) the compensation actually payable for the acquisition of that interest.
- (9) Any dispute as to the amount of a farm loss payment shall be referred to and determined by the Lands Tribunal.

33 Supplementary provisions about farm loss payments

- (1) Subject to subsection (7) below, no farm loss payment shall be made except on a claim in that behalf made by the person entitled thereto before the expiration of the period of one year beginning with the date on which the requirement in section 31(1)(b) above is complied with, and any such claim shall be in writing and shall be accompanied or supplemented by such particulars as the acquiring authority may reasonably require to enable them to determine whether that person is entitled to a payment and, if so, its amount.
- (2) Where the agricultural unit containing the land acquired is occupied for the purposes of a partnership firm sections 31 and 32 above shall have effect in relation to the firm and not the partners individually (any interest of a partner in the land acquired being treated as an interest of the firm) except that the requirements in section 31 as to the new unit shall be treated as complied with in relation to the firm as soon as (they are complied with by any one of the persons who were members of the firm.
- (3) Where a person dies before the expiration of the period for making a claim to a farm loss payment and would have been entitled to such a payment if he had made a claim

Status: This is the original version (as it was originally enacted).

within that period, a claim to mat payment may be made, before the expiration of that period, by his personal representative.

- (4) Where an interest in land is acquired by agreement by an authority possessing compulsory purchase powers, the authority may, in connection with the acquisition, make to the person from whom the interest is acquired a payment corresponding to any farm loss payment which they would be required to make to him if the acquisition were compulsory and the authority (if not authorised to acquire the interest compulsorily) had been so authorised on the date of the agreement.
- (5) Where a farm loss payment is made to any person the authority making the payment shall also pay any reasonable valuation or legal expenses incurred by that person for the purposes of the preparation and prosecution of his claim to the payment; but this subsection is without prejudice to the powers of the Lands Tribunal in respect of the expenses of proceedings before the Tribunal by virtue of section 32(9) above.
- (6) A farm loss payment shall carry interest, at the rate for the time being prescribed under section 40 of the Land Compensation (Scotland) Act 1963, from the date mentioned in subsection (1) above until payment.
- (7) Where the date mentioned in subsection (1) above is before 23rd May 1973 the period within which a claim to a farm loss payment can be made shall be the period of one year beginning with 23rd May 1973.

Disturbance payments

34 Disturbance payments for persons without compensatable interests

- (1) Where a person is displaced from any land in consequence of—
 - (a) the acquisition of the land by an authority possessing compulsory purchase powers;
 - (b) the making, passing or acceptance of a housing order, resolution or undertaking in respect of a house or building on the land ;
 - (c) where the land has been previously acquired by an authority possessing compulsory purchase powers or appropriated by a local authority and is for the time being held by the authority for the purposes for which it was acquired or appropriated, the carrying out of redevelopment on the land,
 he shall, subject to the provisions of this section, be entitled to receive a payment (hereafter referred to as a "disturbance payment") from the acquiring authority, the authority who made the order, passed the resolution or accepted the undertaking or the authority carrying out the redevelopment, as the case may be.
- (2) A person shall not be entitled to a disturbance payment—
 - (a) in any case, unless he is in lawful possession of the land from which he is displaced ;
 - (b) in a case within subsection (1)(a) above, unless either—
 - (i) he has no interest in the land for the acquisition or extinguishment of which he is (or if the acquisition or extinguishment were compulsory would be) entitled to compensation under any other enactment ; or
 - (ii) he has such an interest as aforesaid but the compensation is subject to a site value provision and he is not (or if the acquisition were

Status: This is the original version (as it was originally enacted).

compulsory would not be) entitled in respect of that acquisition to an owner-occupier's supplement;

- (c) in a case within subsection (1)(b) above, if he is entitled to an owner-occupier's supplement by reference to the order, resolution or undertaking.

In this subsection " site value provision " means section 20 of the Housing (Scotland) Act 1966 or section 10 of the Housing (Scotland) Act 1969 and " owner-occupier's supplement" means a payment under sections 18 to 20 of the Housing (Scotland) Act 1969.

- (3) For the purposes of subsection (1) above a person shall not be treated as displaced in consequence of any such acquisition or redevelopment as is mentioned in paragraph (a) or (c) of that subsection unless he was in lawful possession of the land—
- (a) in the case of land acquired under a compulsory purchase order, at the time when notice was first published of the making of the compulsory purchase order prior to its submission for confirmation or, where the order did not require confirmation, of the preparation of the order in draft;
- (b) in the case of land acquired under an Act specifying the land as subject to compulsory acquisition, at the time when the provisions of the Bill for that Act specifying the land were first published;
- (c) in the case of land acquired by agreement, at the time when the agreement was made;

and a person shall not be treated as displaced in consequence of any such order, resolution or undertaking as is mentioned in paragraph (b) of that subsection unless he was in lawful possession as aforesaid at the time when the order was made, the resolution was passed or the undertaking was accepted.

- (4) Where a person is displaced from any land as mentioned in subsection (1) above but is not entitled, as against the authority there mentioned, to a disturbance payment or to compensation for disturbance under any other enactment, the authority may, if they think fit, make a payment to him determined in accordance with section 35(1) to (3) below.
- (5) A disturbance payment shall carry interest, at the rate for the time being prescribed under section 40 of the Land Compensation (Scotland) Act 1963, from the date of displacement until payment.
- (6) This section does not apply to any land which is used for the purposes of agriculture.
- (7) In section 71(4) of the Housing (Financial Provisions) (Scotland) Act 1972 (financial assistance towards tenants' removal expenses) for the words from " 160 " to the end there shall be substituted the words " 34 of the Land Compensation (Scotland) Act 1973 (disturbance payments for persons without compensatable interests) ".
- (8) In this section " a housing order, resolution or undertaking" and "redevelopment" have the same meaning as in section 27 above.
- (9) This section applies if the date of displacement is on or after 17th October 1972.

35 Amount of disturbance payment

- (1) The amount of a disturbance payment shall be equal to—
- (a) the reasonable expenses of the person entitled to the payment in removing from the land from which he is displaced; and

Status: This is the original version (as it was originally enacted).

- (b) if he was carrying on a trade or business on that land, the loss he will sustain by reason of the disturbance of that trade or business consequent upon his having to quit the land.
- (2) In estimating the loss of any person for the purposes of subsection (1)(b) above, regard shall be had to the period for which the land occupied by him may reasonably have been expected to be available for the purposes of his trade or business and to the availability of other land suitable for that purpose.

This subsection has effect subject to section 43(7) below.

- (3) Where the displacement is from a dwelling in respect of which structural modifications have been made for meeting the special needs of a disabled person (whether or not the person entitled to the disturbance payment) then, if—
- (a) a local authority having duties under section 12 of the Social Work (Scotland) Act 1968, provided assistance, or
 - (b) such an authority would, if an application had been made, have provided assistance,
- for making those modifications, the amount of the disturbance payment shall include an amount equal to any reasonable expenses incurred by the person entitled to the payment in making, in respect of a dwelling to which the disabled person removes, comparable modifications which are reasonably required for meeting the disabled person's special needs.
- (4) Any dispute as to the amount of a disturbance payment shall be referred to and determined by the Lands Tribunal.

Rehousing

36 Duty to rehouse residential occupiers

- (1) Where a person is displaced from residential accommodation on any land in consequence of—
- (a) the acquisition of the land by an authority possessing compulsory purchase powers;
 - (b) the making, passing or acceptance of a housing order, resolution or undertaking in respect of a house or building on the land;
 - (c) where the land has been previously acquired by an authority possessing compulsory purchase powers or appropriated by a local authority and is for the time being held by the authority for the purposes for which it was acquired or appropriated, the carrying out of redevelopment on the land,
- and suitable alternative residential accommodation on reasonable terms is not otherwise available to that person, then, subject to the provisions of this section, it shall be the duty of the relevant authority to secure that he will be provided with such other accommodation.
- (2) Subsection (1) above shall not by virtue of paragraph (o) thereof apply to a person if the acquisition is in pursuance of the service by him of a blight notice within the meaning of section 181 of the Town and Country Planning (Scotland) Act 1972.
- (3) Subsection (1) above shall not apply to any person who is a trespasser on the land or who has been permitted to reside in any house or building on the land pending its demolition.

Status: This is the original version (as it was originally enacted).

- (4) Subsection (1) above shall not apply to any person to whom money has been advanced—
- (a) under section 38 below ;
 - (b) under the Small Dwellings Acquisition (Scotland) Acts 1899 to 1923 or section 49 of the Housing (Financial Provisions) (Scotland) Act 1968 ; or
 - (c) by a development corporation otherwise than under section 38 below,
- for the purpose of enabling him to obtain accommodation in substitution for that from which he is displaced as mentioned in that subsection.
- (5) Subsection (1)(a) above shall not apply to any acquisition of land in relation to which the Secretary of State has before 23rd May 1973 decided under paragraph 1 of Schedule 8 to the Housing (Scotland) Act 1966 that a housing scheme is not necessary.
- (6) For the purposes of subsection (1) above a person shall not be treated as displaced in consequence of any such acquisition or redevelopment as is mentioned in paragraph (a) or (c) of that subsection unless he was residing in the accommodation in question—
- (a) in the case of land acquired under a compulsory purchase order, at the time when notice was first published of the making of the order prior to its submission for confirmation or, where the order did not require confirmation, of the preparation of the order in draft;
 - (b) in the case of land acquired under an Act specifying the land as subject to compulsory acquisition, at die time when the provisions of the Bill for the Act specifying the land were first published ;
 - (c) in the case of land acquired by agreement, at the time when the agreement was made;
- and a person shall not be treated as displaced in consequence of any such order, resolution or undertaking as is mentioned in paragraph (b) of that subsection unless he was residing in the accommodation in question at the time when the order was made, the resolution was passed or the undertaking was accepted.
- (7) Subject to subsection (8) below, " the relevant authority " for the purposes of this section is the local authority having functions in relation to the district where the land is situated under Part VII of the Housing (Scotland) Act 1966.
- (8) Where the land is in an area designated as the site of a new town—
- (a) paragraph (c) of subsection (1) above shall apply if the land on which the redevelopment is carried out has been previously acquired by the development corporation and is for the time being held by theft corporation;
 - (b) the development corporation shall, in a case falling within paragraph (a) or (c) of that subsection, be the relevant authority for the purposes of this section.
- (9) In this section " a housing order, resolution or undertaking " and " redevelopment" have the same meaning as in section 27 above.

37 Duty to rehouse certain caravan dwellers

- (1) Section 36 above shall, so far as applicable, have effect in relation to a person residing in a caravan on a caravan site who is displaced from that site as it has effect in relation to a person displaced from residential accommodation on any land but shall so have effect subject to the following modifications.

Status: This is the original version (as it was originally enacted).

- (2) Subsection (1) of the said section 36 shall have effect—
- (a) as if for the words preceding paragraph (a) there were substituted the words "Where a person residing in a caravan on a caravan site is displaced from that site in consequence of "; and
 - (b) as if for the words following paragraph (c) there were substituted the words " and neither suitable residential accommodation nor a suitable alternative site for stationing a caravan is available to that person on reasonable terms, then, subject to the provisions of this section, it shall be the duty of the relevant authority to secure that he will be provided with suitable residential accommodation. "
- (3) Subsection (6) of the said section 36 shall have effect as if in the words preceding paragraph (a) for the words " unless he was residing in the accommodation in question" there were substituted the words " unless he was residing in a caravan on the caravan site in question ".
- (4) The said section 36 shall have effect as if in any provision not modified as aforesaid for any reference to land there were substituted a reference to a caravan site.
- (5) In this section " caravan site " has the same meaning as in section 30 above.

38 Power of relevant authority to make advances repayable on maturity to displaced residential owner-occupiers

- (1) Where a person displaced from a dwelling in consequence of any of the matters mentioned in subsection (1)(a), (b) or (c) of section 36 above—
- (a) is an owner-occupier of the dwelling ; and
 - (b) wishes to acquire or construct another dwelling in substitution for that from which he is displaced,
- the relevant authority for the purposes of that section may advance money to him for the purpose of enabling him to acquire or construct the other dwelling.
- (2) The power conferred by this section shall be exercisable subject to such conditions as may be approved by the Secretary of State and the following provisions shall apply with respect to any advance made in the exercise of that power.
- (3) The advance shall be made—
- (a) on terms providing for the payment of the principal—
 - (i) at the end of a fixed period, with or without a provision allowing the authority to extend that period; or
 - (ii) upon notice given by the authority,
 subject, in either case, to a provision for earlier repayment on the happening of a specified event;
 - (b) on such other terms as the authority may think fit having regard to all the circumstances.
- (4) An advance for the construction of a dwelling may be made by instalments from time to time as the works of construction progress.
- (5) The principal of the advance, together with interest thereon, shall be secured by a heritable security of the borrower's interest in the dwelling, and the amount of the principal shall not exceed the value which, in accordance with a valuation duly made

on behalf of the relevant authority, it is estimated that the borrower's interest will bear or, as the case may be, will bear when the dwelling has been constructed.

- (6) Before advancing money under this section the relevant authority shall satisfy themselves that the dwelling to be acquired meets or will meet the tolerable standard as determined for the purposes of the Housing (Scotland) Act 1969 by section 2 of that Act.
- (7) While the payment of the principal of an advance made by a local authority under this section is not required in accordance with the terms of the advance, the local authority may suspend, with respect to so much of any sum borrowed by them as is referable to the advance, any periodical provision for repayment that may be required by any enactment.
- (8) The power conferred by this section on a relevant authority is without prejudice to any power to advance money exercisable by the authority under any other enactment.
- (9) In this section "owner-occupier", in relation to any dwelling, means a person who occupies it on the date of displacement and either—
 - (a) occupies it on that date in right of an owner's interest or a lease of which not less than three years remain unexpired or by virtue of a tenancy or other interest to which the Crofters (Scotland) Acts 1955 and 1961 or the Small Landholders (Scotland) Acts 1886 to 1931 apply; or
 - (b) if the displacement is in consequence of the matters mentioned in paragraph (c) of section 36(1) above, occupied it in right of such an interest or lease or by virtue of such a tenancy or interest on the date on which the land was acquired or appropriated as mentioned in that paragraph.
- (10) In this section references to the construction of a dwelling include references to the acquisition of a building and its conversion into a dwelling and to the conversion into a dwelling of a building previously acquired.

39 Duty of displacing authority to indemnify rehousing or lending authority for net losses

- (1) Where a relevant authority within the meaning of section 36 above provide or secure the provision of accommodation for any person in pursuance of subsection (1)(a) or (c) of that section, then, if—
 - (a) the authority providing the accommodation ("the rehousing authority ") are not the same as the authority by whom the land in question is acquired or redeveloped (" the displacing authority "); and
 - (b) the displacing authority are not an authority having functions under Part VII of the Housing (Scotland) Act 1966,the displacing authority shall make to the rehousing authority periodical payments, or if the rehousing authority so require a lump sum payment, by way of indemnity against any net loss in respect of the rehousing authority's provision of that accommodation which may be incurred by that authority in any year during the period of ten years commencing with the year in which the accommodation is first provided.
- (2) For the purposes of subsection (1) above a local authority incur a net loss in respect of their provision of accommodation for a person whom they are rehousing—
 - (a) if they rehouse him in a house provided by them under Part VII of the said Act of 1966, for the purpose of rehousing him; or

Status: This is the original version (as it was originally enacted).

- (b) if—
 - (i) they rehouse him in a house to which the housing revenue account relates not so provided, and
 - (ii) provide under the said Part VII in the year immediately preceding that in which he first occupies it, or in the period of three years commencing with the year in which he first occupies it, a house of a similar type or size.
- (3) Where money has been advanced to a person as mentioned in section 36(4) above, then if—
 - (a) the authority making the advance (" the lending authority ") are not the same as the displacing authority; and
 - (b) the lending authority incur a net loss in respect of the making of the advance, the displacing authority shall make to the lending authority a lump sum payment by way of indemnity against that loss.
- (4) For the purposes of subsection (3) above, a lending authority incur a net loss in respect of the making of an advance to any person if—
 - (a) he does not fully discharge his liability to the authority in respect of principal, interest and expenses in accordance with the terms on which the advance is made ; and
 - (b) the deficiency exceeds the net proceeds arising to the authority on a sale of the interest on which the principal and interest is secured.
- (5) The Secretary of State may—
 - (a) for the purposes of subsection (1) above from time to time determine a method to be used generally in calculating net losses incurred by rehousing authorities;
 - (b) for the purposes of that subsection or subsection (3) above, determine the net loss incurred by a rehousing authority or lending authority in any particular case;
 - (c) give directions as to the manner in which any payment under this section is to be made.
- (6) Subsection (2) above shall be construed as one with the Housing (Financial Provisions) (Scotland) Act 1972.

40 Power of relevant authority to defray expenses in connection with acquisition of new dwellings

- (1) Where a person displaced from a dwelling in consequence of any such acquisition as is mentioned in section 36(1)(a) above—
 - (a) has no interest in the dwelling or no greater interest therein than as tenant for a year or from year to year; and
 - (b) wishes to acquire another dwelling in substitution for that from which he is displaced,
 the acquiring authority may pay any reasonable expenses incurred by him in connection with the acquisition, other than the purchase price.
- (2) No payment shall be made under this section in respect of expenses incurred by any person in connection with the acquisition of a dwelling unless the dwelling is acquired not later than one year after the displacement and is reasonably comparable with that from which he is displaced.

Status: This is the original version (as it was originally enacted).

- (3) For the purposes of subsection (2) above a dwelling acquired pursuant to a contract shall be treated as acquired when the contract is made.
- (4) Subsections (3) and (6) of section 36 above shall have effect in relation to subsection (1) above and to subsection (1)(a) of that section as applied thereby.