



Land Compensation (Scotland) Act 1973

1973 CHAPTER 56

PART III

PROVISIONS FOR BENEFIT OF PERSONS DISPLACED FROM LAND

Rehousing

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 [F1I] of the ^{M1}Housing (Scotland) Act [F11987]

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 [F1I] of the said Act of 1987, for the purpose of rehousing him; or
- (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 [F1I] in the year immediately preceding that in which he first occupies it, or in the period of three years

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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 [^{F2}(Scotland) Act 1987].

Textual Amendments

- F1** Words substituted by [Housing \(Scotland\) Act 1987 \(c. 26, SIF 61\)](#), ss. 335, 339(2), **Sch. 23 para. 19(7)(a)**
- F2** Words substituted by [Housing \(Scotland\) Act 1987 \(c. 26, SIF 61\)](#), ss. 335, 339(2), **Sch. 23 para. 19(7)(b)**

Marginal Citations

- M1** 1987 c. 26.

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