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CABINET

SLUM CLEARANCE COMPENSATION

Memorandum by the Minister of Housing and Local Government

Following upon the announcement of the Government's intention to stimulate the resumption of slum clearance, several speakers in the debate on the Housing Subsidies Bill drew attention to the inadequacy of the compensation payable to those whose houses are demolished. In particular, they pointed out the serious hardship suffered by owner-occupiers who had been driven by the housing shortage to buy unfit property at scarcity prices of perhaps £500 or more, and who would probably receive in compensation not more than about £50.

2. With the agreement of the Prime Minister and other Ministers concerned, I said in my reply that the Government were actively considering what could be done to relieve hardship in such cases, and that I would make a further statement shortly.

3. I ask for authority to inform the House that, as soon as the legislative programme will permit, the Government will introduce a short Bill, which will provide in respect of England and Wales:

- (a) that an owner-occupier, who bought an unfit house between the outbreak of war and the date of the announcement of legislation, shall, if that house is compulsorily purchased, (or cleared or demolished), receive compensation equal to the market value of the house immediately before it was declared unfit;
- (b) that the compensation in respect of a well-maintained unfit house, which is at present payable on the basis of pre-war building costs, may from time to time be adjusted by Order, to take account of changes in the level of prices; and
- (c) that where a shop or other business forms part of an unfit dwelling house, which is compulsorily acquired (or cleared or demolished), owner-occupiers or tenants shall receive compensation at market value for that part of the premises which relates to the shop or business.

D.S.

Ministry of Housing and Local Government, S.W.1.

29th November, 1955.