


Right to Compensation for Improvement

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Appendix 1

1.0 Introduction

- 1.1 The Housing (Scotland) Act 2001 introduced the tenant's right to compensation for improvements from 30 September 2002. The legal reference for this is the Scottish Secure Tenants (Compensation for Improvements) Regulations 2002 (Scottish Statutory Instrument 2002/312).
- 1.2 This legislation gives tenants the right to receive compensation from their landlord for certain works (referred to as qualifying improvements), carried out by them during the course of their tenancy.
- 1.3 Details of qualifying improvements are provided in Appendix 1.

2.0 Awareness

- 2.1 Our tenants are made aware of their obligations regarding alterations and improvements other than via this policy through:
 - Tenancy Agreements - issued to every tenant when they become a Glen Oaks tenant.
 - Tenants Handbook - issued to every tenant when they become a Glen Oaks tenant.
 - Website and Newsletter articles.

3.0 Equality & Diversity Statement

- 3.1 The Association is intent on ensuring people or communities do not face discrimination or social exclusion due to any of the following protected characteristics: age; disability; sex; marriage & civil partnership; race; religion or belief; sexual orientation; gender reassignment; pregnancy & maternity.
- 3.2 This policy complies with the Association's equality & diversity policy.
- 3.3 The Association will regularly review this policy for equal opportunities implications and take the necessary action to address any inequalities that result from the implementation of the policy.

4.0 Alterations and Improvements

- 4.1 A list of all qualifying improvements and details of notional lifespans used in the compensation calculation are noted in Appendix 1.
- 4.2 Any request to carry out alterations or improvements must be made in writing by the tenant to the Association on a Standard Association Application Form for the purpose. Permission to carry out the requested alteration or improvement will not be reasonably withheld.
- 4.3 The Association will, however, vet any request for the following reasons:
- To safeguard the building, e.g. to ensure structural walls are not tampered with, heavy brick fireplaces are not putting extra loading on the floor/ceilings, gas pipes and electrical wires are safely and securely installed and appliances are suitable for the property;
 - To give the tenant the right to compensation if they leave the property with the alteration/improvement intact;
 - To ensure no alterations or improvements are carried out during contractors defect liability periods;
 - To advise tenants when building warrants or planning permission are required;
 - To encourage tenants to improve their home at the same time as advising them on the best materials and/or most efficient methods.
- 4.4 Where the alterations request involves the construction of a structure within common areas such as a shed or boundary fence the tenant must also demonstrate that they have reached agreement with all tenants within the property and any adjacent properties.
- 4.5 Where unauthorised alterations or improvements are discovered, formal permission may be granted and recorded retrospectively. However, if the standard of workmanship required by the Association has not been reached, any unauthorised alterations shall be removed and suitably disposed of by the person responsible for the structure within 7 days of notification by the Association. Thereafter, the Association will remove it and recharge the cost of the removal to the tenant concerned.

5.0 Qualifying Tenants

5.1 A qualifying tenant must:

- Have written approval from the Association for the alteration/improvement.
- Be the tenant that carried out the qualifying alteration/improvement.
- Be a tenant of a joint tenancy that existed at the time the work was carried out.
- A tenants succeeded to the tenancy under Section 22 on the death of the tenant that carried out the work and the tenancy did not cease to be a Scottish Secure Tenancy on the succession.
- Have terminated their tenancy.

6.0 Qualifying Conditions

6.1 The work must have been completed in the manner indicated in the approval.

6.2 The work must be to an acceptable standard.

6.3 The tenant must be able to provide copies of all statutory approvals, completion certificates and safety certificates relating to the alteration/improvement.

7.0 Making a Claim

7.1 Tenants must make a claim in writing to the Association for compensation under this policy. This written request must be made during the period beginning 28 days before and ending 21 days after the tenancy comes to an end. The Association will respond to the written claim within 28 days. To progress the claim, the Association will require the following information:

- The tenant's name and address
- Details of the improvement/alteration
- Original cost of the improvement/alteration (excluding appliances and the tenant's labour). Copy invoices and receipts would be particularly helpful.
- Date the improvements were started and completed.

- Copies of all relevant Statutory Approvals and Completion Certificates.

8.0 The Amount of Compensation Due

8.1 The amount of compensation payable for a qualifying alteration/improvement will be calculated as follows:

$$I - \frac{Y}{N} \times C$$

Where:

- C = The cost of the improvement/alteration work (less any grant paid)
- N = The notional life of the alteration/improvement as shown in Appendix 1.
- Y = The number of years starting on the date on which the improvement was completed and ending on the date that the tenancy ends. All part years to be rounded up to the next full year.

8.2 Compensation shall not be payable when the compensation amount payable is less than £100 and where the tenancy ends in on or more of the following circumstances:

- Where the tenant has been evicted.
- Where the tenant's home has been subject to demolition.
- Where the tenant's home has been transferred to an alternative landlord.
- Where the tenant has exercised the Right to Buy.
- Where the Association has granted the tenant a new tenancy, whether alone or jointly, of the same house.

8.3 Where the cost of the improvement work was excessive, or the improvement effected by the work has deteriorated at a rate greater than that provided for in the notional life for that improvement; or the improvement effected by the work is of a higher quality that it would have been had the landlord effected it, then the Association may deduct from the

amount of compensation calculated such sum as is reasonable in order to take into account these factors.

8.4 Where the improvement effected by the work has deteriorated at a rate lower than that provided for in the notional life for that improvement, the Association may add to the amount of compensation calculated such sum as is reasonable in order to take this into account.

8.5 Compensation shall not be payable to the extent that the amount of compensation would exceed £4,000 per improvement.

9.0 Disputes

9.1 If the tenant is not satisfied with the Association's decision, they can ask for the decision to be reconsidered. This request must be made in writing no more than 28 days after the initial offer of compensation was made. The request should outline the points that the claimant wishes to be reconsidered. The original decision may then be:

- Reviewed by an independent valuer or surveyor (usually the District Valuer).
- Reviewed by the Chief Executive of Glen Oaks Housing Association, provided that this person had no prior involvement in the claim.
- Reconsidered by the Association's Board.

9.2 The qualifying person may make an oral or written presentation to the person undertaking the review. They may also nominate an advocate to represent them at any such presentation.

10.0 Payment

10.1 Payment will only be made to the qualifying person.

10.2 if there is more than one qualifying person, then the payment will be shared equally between each qualifying person. Where a qualifying person from such a couple or group cannot be traced, the share in question will be paid to the other qualifying person or persons. The untraced claimant then has a right to pursue these persons for the sum due and the Association will play no further part in the matter.

10.3 All payments will be made by cheque. The Association will deduct any outstanding sums of money owed to the Association such as rent arrears, rechargeable repairs and service charges from the total amount of compensation to be paid.

11.0 Policy Review

11.1 This policy will be reviewed as required and certainly within a period of no greater than three years.

Qualifying Improvements - Right to Compensation for Improvements

| Item | Improvement | Notional Life (Years) |
|------|--|-----------------------|
| 1 | Bath or shower | 12 |
| 2 | Sound insulation | 20 |
| 3 | Wash hand basin | 12 |
| 4 | Toilet (WC complete) | 12 |
| 5 | Kitchen sink (including base unit) | 10 |
| 6 | Storage cupboard in bathroom/kitchen | 10 |
| 7 | Worktops | 10 |
| 8 | Space/water heating | 12 |
| 9 | Thermostatic radiator valves | 7 |
| 10 | Insulation of pipes, water tank or cylinder | 10 |
| 11 | Loft insulation | 20 |
| 12 | Cavity wall insulation | 20 |
| 13 | Draught-proofing of external door/windows | 8 |
| 14 | Double glazing/other window replacement/secondary glazing | 20 |
| 15 | Installation of mechanical ventilation in bathrooms | 7 |
| 16 | Rewiring/provision of power and lighting/other electrical improvements (including mains-wired smoke detectors) | 15 |
| 17 | Security measures, excluding burglar alarm systems | 10 |