



RIGHT TO COMPENSATION FOR IMPROVEMENTS POLICY

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1. INTRODUCTION

- 1.1 This policy seeks to clarify for tenants, staff and Committee the process for awarding compensation to tenants under the Right To Compensation for Improvement Scheme undertaken by Calvay Housing Association, in accordance with the Housing (Scotland) Act 2001.

2. AIMS AND OBJECTIVES

- 2.1 The principle aim of the policy is to promote a sense of ownership for tenants in their home by encouraging improvements and alterations to the dwelling. The policy may allow tenants to receive compensation for such improvements and alterations when they terminate their tenancy for the dwelling.

3. DELEGATION OF RESPONSIBILITY

- 3.1 The staff contact for tenants with queries relating to this scheme is the Property Services Officers or Property Services Officer (Maintenance). The latter will have responsibility for granting or refusing tenants' requests and for authorising payment, in conjunction with the Senior Property Services Officer or Property Services Manager.

4. QUALIFYING CRITERIA

- 4.1 Compensation will only be payable to the person(s) who holds a valid tenancy agreement with Calvay Housing Association for the property affected by the improvement.
- 4.2 Compensation will only be payable under the following conditions: -
- (i) The improvement has been carried out on or after 30th September 2002
 - (ii) The Association has given written consent to the alteration or improvement in compliance with the Association's Alterations and Improvements Policy.
 - (iii) The valid tenancy has or is coming to an end
 - (iv) The improvement falls into the qualifying category set out in paragraph 4.3
 - (v) The amount of compensation is over £100.00 following the depreciation calculation set out in paragraph 4.5

5. QUALIFYING ALTERATIONS / IMPROVEMENTS

- 5.1 Compensation is payable for the following improvements where they were started on or after 30th September 2002 and include the installation, replacing or fitting of: -
- (i) A bath or shower
 - (ii) Cavity wall insulation

- (iii) Sound insulation
- (iv) Double glazing, other external windows or secondary glazing
- (v) Draught proofing external doors or windows
- (vi) Insulation of pipes, water tanks or cylinders
- (vii) A kitchen sink
- (viii) Loft insulation
- (ix) Re-wiring, providing power or lighting, or adding other electrical fixtures (including smoke detectors)
- (x) Security measures other than a burglar alarm
- (xi) Space or water heating
- (xii) Storage cupboards in a bathroom or kitchen
- (xiii) Thermostatic radiator valves
- (xiv) A wash hand basin
- (xv) A water closet
- (xvi) A work surface for preparing food
- (xvii) Mechanical ventilation in bathrooms and kitchens

5.2 While the right to compensation may apply to shower installations, compensation will only be paid where the shower is in full working order at the time of the tenant giving up their tenancy.

6. EXCLUSIONS

6.1 The following circumstances will be excluded from compensation:-

- (I) Internal decoration of a dwelling
- (II) Improvements which do not have written consent from the Association
- (iv) Improvements carried out before 30th September 2002
- (v) Formulated compensation which is less than £100.00

6.2 Additional exclusions will apply where the tenancy ends because:-

- (i) The house was disposed of under Section 14 of the 1987 Act
- (ii) An order for recovery of possessions was made on any of the grounds specified in Part 1 of schedule 2 to the 2001 Act

- (iii) The house was disposed of under section 65 of the 2001 Act
 - (iv) The right to buy under part 2 of the 2001 Act has been exercised
 - (vi) The Association has granted the qualifying person a new tenancy, whether alone or jointly, to the same, or substantially the same, house.
- 6.3 Compensation will not be payable to the extent that the amount of compensation would exceed £4,000.00 per improvement.
- 6.4 Compensation will not be paid for appliances such as cookers, fridges, washing machines, etc.
- 6.5 While external labour costs are allowable, the tenant's own labour will be excluded.

7. AMOUNT OF COMPENSATION

- 7.1 To allow for depreciation of improvements, the following calculation will be adopted: -

$$C \times 1 - \frac{(Y)}{(N)}, \text{ where}$$

C = the cost of improvement work less the amount of any external grant that has been awarded towards the improvement.

N = the notional life of the improvement affected by the work

Y = the number of years starting on the date on which the improvement was completed and ending on the date on which the tenancy ends.

For the purposes of this calculation part of a year shall be counted as a full year

8. QUALIFYING IMPROVEMENT WORK AND NOTIONAL LIFE

(See Attached List at Appendix 1)

9. PAYMENT ARRANGEMENTS

- 9.1 All new tenants will be advised of their Right to Compensation for Improvements when signing their tenancy agreement and will receive an Information Leaflet explaining the legislative and practical measures involved. (See Appendix 2) Information on the scheme is also included in the Tenant's Handbook.
- 9.2 The Association will also advise tenants via our newsletters and via the Association's website, of the claiming procedure and the following response times will be adopted: -
- (i) The tenant must claim in writing to the Association within the period starting 28 days before and ending 21 days after the tenancy comes to an end.
 - (ii) Payment of compensation or written explanation of exclusion to the tenant will come from the Association within 28 days of receipt of the claim.

- (ii) Tenants who are in arrears of any payment due to the Association will not be excluded from the scheme but a valid compensation payment may be credited to the account with the prior written agreement of the tenant.

10. STANDARDS

10.1 This policy has been drafted to take into account the following documents: -

- (i) Housing (Scotland) Act 2001
- (iii) The Scottish Secure Tenancy Agreement

11. EQUAL OPPORTUNITIES POLICY

11.1 The Association will have regard to its Equal Opportunities Policy in all aspects associated with the Right to Compensation for Improvements.

12. ROLE OF THE COMMITTEE

12.1 The role of the Committee in regard to the Right to Compensation for Improvements Policy will be to:-

- (i) consider and review the policy and procedures
- (ii) monitor performance
- (iii) deal with complaints in accordance with the Complaints Policy

13. ARBITRATION AND COMPLAINTS

13.1 Tenants who are dissatisfied with the outcome of any aspect of the scheme are advised to use the Association's Complaints Policy and Procedure.

13.2 Final recourse can be made to the Scottish Public Services Ombudsman for Scotland, the contact information for which can be provided by the Association.

14. CONFIDENTIALITY AND DATA PROTECTION

14.1 The Association will ensure that we meet the requirements of the General Data Protection Regulations 2018. All information provided by customers in relation to this policy will be treated with the strictest of confidence and will not be disclosed to any third party without the express permission of the person concerned.

15. POLICY REVIEW

15.1 This policy will be reviewed 3 years from the date of approval or earlier if the need arises as a result of changes in legislation or good practice.

APPENDIX 1**QUALIFYING IMPROVEMENT WORK AND NOTIONAL LIFE**

Item	Notional Life in Years
Bath or shower	12
Cavity wall insulation	20
Sound insulation	20
Double glazing or other external window replacement or secondary glazing	20
Draught proofing of external doors or windows	8
Insulation of pipes, water tank or cylinder	10
Installation of mechanical ventilation in bathrooms and kitchens	7
Kitchen sink	10
Loft insulation	20
Rewiring and the provision of power and lighting or electrical fixtures including smoke detectors	15
Security measures other than burglar alarm systems	10
Space or water heating	12
Storage cupboards in bathroom or kitchen	10
Thermostatic radiator valves	7
Wash hand basin	12
Water closet	12
Work surfaces for food preparation	10

The Right to Compensation for Improvements

Housing (Scotland) Act 2001

What is the right to compensation for improvements for tenants?

Under the Housing (Scotland) Act 2001, Scottish secure tenants and short Scottish secure tenants may be able to receive compensation from their landlord for improvements which they have made to their home on or after 30 September 2002.

For you to qualify for this compensation we must have approved the improvement; and your tenancy must have ended. You can apply for compensation when you know your tenancy is coming to an end. We recommend you let us know about this as early as possible. If you were a secure tenant and carried out improvements to your home before 30 September 2002, you will continue to have rights to compensation under the old scheme.

Who gets compensation?

If you are a Scottish secure tenant or short Scottish secure tenant you may be able to get compensation for any approved improvements to your property. If your tenancy ends because you have died, or in other special circumstances, compensation can still be claimed. If you have succeeded to your tenancy we will be able to tell you if you qualify for compensation depending on the circumstances of the succession.

You will not receive compensation if your home is being repossessed by us or if you are being given a new tenancy for your existing home with us.

Do I need permission to make improvements?

You must get full written permission from us before you make any improvements or alterations. If we refuse permission, you have the right of appeal but remember that you can only receive compensation if we have agreed to the improvements.

An alterations form provided at the back of this leaflet must be completed and returned to our office. On the form you must detail exactly the alterations you wish to carry out and provide the information requested. We have 28 days to respond to your letter.

What kind of improvements can I get compensation for?

You can only get compensation for certain improvements which were started on or after 30 September 2002. These include installing, replacing or fitting:

- a bath or shower;
- cavity wall insulation;
- sound insulation;
- double glazing, replacing external windows or fitting secondary glazing;
- draught-proofing external doors or windows;
- pipes, water tanks or cylinders;
- a kitchen sink;
- loft insulation;



- rewiring, providing power or lighting, or adding other electrical fixtures (including smoke detectors);
- security measures other than burglar alarms;
- space or water heating;
- storage cupboards in a bathroom or kitchen;
- thermostatic radiator valves;
- a wash-hand basin;
- a toilet;
- a work surface for preparing food; and
- Mechanical ventilation in bathrooms and kitchens.

Decorating the inside of your home does not qualify for compensation.

How do you get compensation?

You must make a claim in writing to us within the period starting 28 days before and ending 21 days after your tenancy comes to an end. If in doubt, ask us how to claim.

We will need to know:

- your name and address;
- what improvements you have made;
- how much each improvement cost; and
- the date the improvements were started and finished.

We will also require access to your home to inspect these improvements.

How much can you get?

You can receive up to £4,000 for each improvement. But you will not receive any compensation for an improvement if the amount of compensation would be less than £100.

How do we work out compensation due?

We will start with the cost of the improvements and may ask you to provide proof of the amount you have spent. It is a good idea to keep a copy of any bills in a safe place and you may want to send a copy to us when the work has been done.

The value of any improvement you have made falls as the improvement gets older and as you get use out of it. The compensation you get will take the age of your improvement into account.

We may also reduce your compensation if we believe you paid too much for the improvement or the quality is higher than it would have been if we carried it out.

We may also increase or reduce your compensation depending on the condition of the improvement when your tenancy ends.

We can also take any money you owe from the compensation you are entitled to (for example, for unpaid rent or rechargeable repairs).

What can you claim compensation for?

You can claim compensation for:

- the cost of materials (but not appliances such as cookers or fridges); and
- labour costs (but not your own labour).

You will usually need to give us an invoice/receipt to show how much your improvements cost. If you have not got an invoice, tell us straight away and give a rough idea of the total cost.

What if you don't agree with our decision on your claim?

You can ask you us to reconsider our decision within 28 days of giving it to you. We must then have our decision reviewed by:

- an independent valuer or surveyor
- Committee members who were not involved in making the original decision; or
- All of our committee members.