



"Offering our community more than a home"

Compensation for Improvements Policy

Housing Services Sub-Committee submission:	20 August 2019
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CHA Objectives:

- To provide quality, affordable housing that meets the changing needs of our customers and to ensure fair access to housing within our area.
- To manage the houses provided, in a professional and cost effective manner, for the benefit of our local community and the environment.
- To provide a first class maintenance service which offers value for money and ensures the comfort and safety of our residents while achieving high levels of satisfaction

Regulatory Standards:

- The governing body leads and directs the RSL to achieve good outcomes for its tenants and other service users.
- The RSL is open about and accountable for what it does. It understands and takes account of the needs and priorities of its tenants, service users and stakeholders. And its primary focus is the sustainable achievement of these objectives.
- The RSL manages its resources to ensure its financial well-being and economic effectiveness.
- The governing body bases its decision on good quality information and advice and identifies and mitigates risks to the organisation's purpose.

This policy can be made available on request in a variety of different formats, such as on tape, in large print and translated into other languages.

Introduction

The Housing (Scotland) Act 2001 introduced the tenant's Right to Compensation for Improvements from 30 September 2002. This gives tenants the right to receive compensation for certain works (or qualifying improvements) carried out by them during the course of their tenancy.

Alterations and Improvements

A list of all qualifying improvements and details of notional life spans used in the compensation calculation are provided in Appendix 1.

Any request to carry out alterations or improvements must be made in writing by the tenant to the Association. Permission to carry out the requested alteration or improvement will not be unreasonably withheld.

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 ensure no alterations or improvements are carried out during contractors' defects liability periods.
- To advise tenants when building warrants or planning permission is required.

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.

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 Association. Thereafter the Association will remove it and recharge the cost of the removal to the tenant concerned.

Qualifying tenants

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 tenant 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.

Exclusions

The Association is not required to make payment in respect of qualifying improvements works:

- Where the compensation which would otherwise be payable is less than £100.00
- Where the tenancy ends because:
 - (a) The tenant has been evicted
 - (b) The property has been subject to demolition
 - (c) The property has been transferred to another landlord
 - (d) The right to buy has been exercised
 - (e) The qualifying person has been granted a new tenancy, whether alone or jointly, of the same, or substantially the same, house by the Association.
- Where improvements / alterations works have been carried out without the written consent of the Association no compensation will be paid.

Qualifying Conditions

- The tenant must have the written consent of the Association for the improvement / alteration works undertaken.
- All works carried out must be in accordance with those approved by the Association.
- The tenant must provide copies of all statutory approvals, completion certificates and safety certificates relating to the improvement / alteration works.
- Any proposed works must meet all relevant standards in respect of materials, workmanship and safety. Furthermore the manufacturers' recommendations for installation and maintenance must be complied with and the work carried out by a competent person.
- All works must be undertaken by a competent person and where applicable, as with gas for example, by a recognised professional having membership of a relevant body e.g., Gas Safe.

- Where a tenant carries out an improvement / alterations to their home which would otherwise be the Association's responsibility, the Association will take over the maintenance if:
 - (a) The tenant has adhered to the conditions of this Policy
 - (b) The Association has approved the request, the quality of fittings/materials and the standard of work

Making a Claim

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.

The Association will offset any monies owed in rent or rechargeable repairs arrears against the compensation, thus reducing the award.

The maximum amount that will be paid is £4,000 per improvement, the minimum £100 per improvement (amounts less than £100 will not be paid at all).

Calculating Compensation

The amount of compensation payable is based on a combination of:

- the initial cost of the improvement **C**
- the notional life **N**
- the number of years since the repair was carried out **Y**

The Association uses the following formula:

$$C \times \frac{(N - Y)}{N}$$

Compensation will only be calculated on the real cost to the tenant. It will exclude:

- (a) any costs attributed to the tenant's own labour
- (b) any grants received by the tenant towards the cost of the improvement
- (c) vat paid
- (d) the cost of any professional fees paid
- (e) the cost of obtaining planning consent or consent under building regulations

The basis for calculating compensation will be the tenant's original cost, discounted over the notional life of the improvement that has elapsed since the improvement was completed. The Association can also deduct a notional amount for excessive wear and tear or can increase compensation if the condition of the improvement is noticeably better than could be expected.

In making an offer of compensation, the Association will state how the figure was calculated, including details of any deductions or supplements made and how the offer may have been affected by the upper or lower limits.

Payment will only be made to the qualifying person.

Disputes

If a tenant is dissatisfied by the Association's decisions regarding refusal to grant permission for improvement/alteration works or in relation to an offer of compensation they can ask for the decision to be reconsidered.

This request must be made, in writing, no more than 28 days after the initial decision was made. The request should outline the points that the claimant wishes to be reconsidered. The Association may then review their decision by:

- Appointing an independent valuer or surveyor who took no part in making the original decision
- Members of the Management Committee who were not present when the original decision was made
- The full Management Committee reconsidering its decision

The tenant is entitled to make personal representation and may be accompanied by any representative of their choice during the appeal process either in writing or orally or both.

The Association will notify the tenant within 28 days of receiving their appeal of either their revised offer or confirmation of the original decision.

Equal Opportunities

Clydebank Housing Association will ensure equality of opportunity across the full range of our activities, including both employment and service provision.

We will not discriminate on the grounds of Age, Disability, Gender Reassignment, Marriage and Civil Partnership, Pregnancy and Maternity, Race, Religion or Belief, Sex, and Sexual Orientation.

Qualifying Improvements & Notional Lifespans

ITEM	IMPROVEMENT	NOTIONAL LIFE (Years)
1	Bath or shower	12
2	Cavity wall insulation	20
3	Sound insulation	20
4	Double glazing, replacing external windows or fitting secondary glazing	20
5	Draught-proofing external doors or windows	8
6	Insulation of pipes, water tanks or cylinders	10
7	Kitchen sink	10
8	Loft insulation	20
9	Rewiring, providing power or lighting, or adding other electrical fixtures (including smoke detectors)	15
10	Security measures other than burglar alarms	10
11	Space or water heating	12
12	Storage cupboards in a bathroom or kitchen	10
13	Thermostatic radiator valves	7
14	Wash-hand basin	12
15	Toilet (wc complete)	12
16	A work surface for preparing food	10
17	Mechanical ventilation in bathrooms and kitchens	7

For Office Use Only – Actions

Customer Consultation Required/Arranged	No
Intranet Update	Yes
F Drive Update	Yes
Website Update	Yes
Leaflet change required?	No
Newsletter Promotion?	No
Other information updated, e.g. posters, automatic email responses, post cards, answering machine messages, etc.	No
Equality Impact Assessment completed	No