

# Homes for Life Housing Partnership

## POLICY ON COMPENSATION FOR IMPROVEMENTS

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- 1.1 This document sets out the Company's policy on "Compensation for Improvements".
- 1.2 Section 30 of the Housing (Scotland) Act 2001 gave "qualifying persons" a right to claim compensation for "qualifying improvements" at termination of "Scottish secure tenancies". Further details on eligibility and compensation levels was provided in The Scottish Secure Tenants (Compensation for Improvements) Regulations 2002. (Scottish Statutory Instrument 2002 No 312). The Company's policy is designed to meet these statutory requirements.

### **When can compensation be claimed?**

- 2.1 Compensation must be claimed no earlier than 28 days before and no later than 21 days after the end of a tenancy of a home owned by the Company.
- 2.2 The Company will respond to any claim within 28 days. Settlement will however depend on whether or not sufficient information has been provided.

### **How can compensation be claimed?**

- 3.1 Compensation must be claimed in writing and must provide the Company with sufficient detail for the Company to assess eligibility and compensation. The attached claim form has been designed to ensure that all necessary information is available, for speedy settlement of claims. You do not need to use this application form, but will need to provide equivalent information.
  - 3.2 Documentary evidence should be provided for completion of work specification, costs, and any grant which may have been received towards costs. Failure to provide this will delay assessment and may prevent payment of any compensation.
- 4.1 Claims may only be submitted by any of the following "qualified persons" -
    - 4.1.1 A person whose Scottish Secure Tenancy of the property has just been or is about to be terminated, and who carried out the improvement during that tenancy
    - 4.1.2 A person who was a joint tenant of the property at the time the improvement was carried out
    - 4.1.3 A person who has or is about to succeed to a tenancy of the property, due to the death of the tenant who carried out the improvement, but only where a Scottish Secure Tenancy has been or is to be granted on succession.

### **What improvements qualify for compensation?**

- 5.1 Improvements must have been completed with the Company's prior written consent, must comply with all conditions of that consent, and must have been completed no earlier than 30<sup>th</sup> September 2002.
- 5.2 Only improvements listed on the attached Schedule will qualify. [This schedule is from The Scottish Secure Tenants (Compensation for Improvements) Regulations 2002].

**How will compensation be calculated?**

- 6.1 The Scottish Secure Tenants (Compensation for Improvements) Regulations 2002 sets out the prescribed formula which must be used. The application form has been designed around this calculation:
  - 6.1.1 The net cost of the improvement must be established. This will include the cost of materials and employed labour, but not the cost of any built in appliances, and must be net of any discount on or grant payments towards cost = **C**
  - 6.1.2 The notional life of the improvement is established from the attached schedule = **N**
  - 6.1.3 The number of full or part years between completion of the improvement and the end of tenancy is established = **Y**
  - 6.1.4 In principle compensation is then calculated using the formula -

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

- 6.1.5 The need for any deductions from this in principle compensation are established. Deductions will be made where -
  - 6.1.5.1 *The improvement was to a higher standard than the Company would normally use for such improvements*
  - 6.1.5.2 *The cost of the improvements was excessive*
  - 6.1.5.3 *The improvement has deteriorated quicker than allowed for in the notional life calculation*
- 6.1.6 The need to offset any sums owed to the Company is established.
- 6.1.7 No payment will however be made where the net compensation due is calculated to be less than £100. Also, the maximum compensation payable is restricted to £4,000 for any one improvement. (Both those sums are prescribed by the Act and the Regulations).

**Exclusions**

- 7.1 Notwithstanding eligibility under other provisions of this policy no compensation will be paid where -

- 7.1.1 The property has been or is being repossessed as a result of legal action
- 7.1.2 The property has been or is being disposed of by the Company under Section 14 of the Housing (Scotland) Act 1987 or Section 65 of the Housing (Scotland) Act 2001.
- 7.1.3 The property has been or is being purchased under the "right to buy".
- 7.1.4 The applicant has been granted a new tenancy by the Company, alone or jointly, of the same, or substantially the same house.

**Review**

- 8.1 If you are dissatisfied with the Company's decision, you may request a review of your case. Your request must be made within 28 days of receipt of the Company's notification. The review will be by a panel of Directors who had no involvement in the original decision. You will have the right to make written and/or oral representations to and to be accompanied by a representative of your choice. This review panel will otherwise comply with the general requirements for such panels as outlined in the Company's Complaints Policy.
- 8.2 In the event that you are still dissatisfied after that review you have the right to appeal to the Sheriff, for this area.
- 8.3 You may wish to pursue independent advice and/or to refer any concerns to the public sector ombudsman before pursuing any formal legal action. Details are provided in the Company's Complaints Policy.
- 8.4 Applications and outcomes will be monitored by the Company's Board of Directors. The Policy will be reviewed no later than November 2007 (three years after implementation).

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### Schedule of Qualifying Improvements

| COLUMN 1    |                                                                                                         | COLUMN 2                        |
|-------------|---------------------------------------------------------------------------------------------------------|---------------------------------|
| <i>Item</i> |                                                                                                         | <i>(Notional life in years)</i> |
| 1           | Bath or Shower                                                                                          | 12                              |
| 2           | Cavity Wall Insulation                                                                                  | 20                              |
| 3           | Sound Insulation                                                                                        | 20                              |
| 4           | Double Glazing or other external window replacement or secondary glazing                                | 20                              |
| 5           | Draught proofing of external doors or windows                                                           | 8                               |
| 6           | Insulation of pipes, water tank or cylinder                                                             | 10                              |
| 7           | Installation of mechanical ventilation in bathrooms and kitchens                                        | 7                               |
| 8           | Kitchen sink                                                                                            | 10                              |
| 9           | Loft insulation                                                                                         | 20                              |
| 10          | Rewiring and the provision of power and lighting or other electrical fixtures including smoke detectors | 20                              |
| 11          | Security measures other than burglar alarm systems                                                      | 15                              |
| 12          | Space or water heating                                                                                  | 12                              |
| 13          | Storage cupboards in bathroom or kitchen                                                                | 10                              |
| 14          | Thermostatic radiator valves                                                                            | 7                               |
| 15          | Wash hand basin                                                                                         | 12                              |
| 16          | Water closet                                                                                            | 12                              |
| 17          | Work surfaces for food preparation                                                                      | 10                              |

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## APPLICATION FORM FOR COMPENSATION FOR IMPROVEMENTS

### SECTION 1 for completion by Applicant

#### Applicant

NAME \_\_\_\_\_

ADDRESS \_\_\_\_\_

\_\_\_\_\_

TEL NO (daytime) \_\_\_\_\_

E-MAIL \_\_\_\_\_

#### Improvements

ADDRESS (if different from above) \_\_\_\_\_

\_\_\_\_\_

END OF TENANCY DATE \_\_\_\_\_

RELATIONSHIP TO TENANT (if not tenant)

\_\_\_\_\_

DESCRIBE IMPROVEMENTS FOR WHICH COMPENSATION IS SOUGHT

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

WAS PRIOR WRITTEN CONSENT SECURED FOR IMPROVEMENTS?

(delete) **YES / NO / DON'T KNOW**

IF YES, WHAT DATE (APPROXIMATELY) WAS THIS GRANTED? \_\_\_\_\_

WHEN WERE WORKS COMPLETED (APPROXIMATELY)? \_\_\_\_\_

DETAIL THE COSTS OF IMPROVEMENTS\*

|                          |          |              |
|--------------------------|----------|--------------|
| Materials                | £        | _____        |
| Labour                   | £        | _____        |
| Statutory Fees           | £        | _____        |
| Consultants/Agent's Fees | £        | _____        |
| Other                    | £        | _____        |
| <b>TOTAL</b>             | <b>£</b> | <b>_____</b> |

\* Please attach copies of invoices/receipts. (These can be copied at Office if required)

DETAIL ANY APPLIANCES INCLUDED IN THESE COSTS, INCLUDING COSTS  
(IF KNOWN)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

DETAIL ANY DISCOUNT RECEIVED ON THESE COSTS

\_\_\_\_\_  
\_\_\_\_\_

DETAIL ANY GRANT RECEIVED TOWARDS THESE COSTS

\_\_\_\_\_  
\_\_\_\_\_

**Declaration**

I CONFIRM THAT I HAVE DISCLOSED ALL INFORMATION MATERIAL TO  
ASSESSMENT OF THIS CLAIM

SIGNED \_\_\_\_\_ DATE \_\_\_\_\_

**Please return completed form to Hilary Mark, Customer Service Manager,  
Homes for Life Housing Partnership,  
57 Market Street, Haddington, East Lothian EH41 3JG.  
If you have any queries please contact Hilary Mark on 01620 829300  
or e-mail [hilary@homesforlife.co.uk](mailto:hilary@homesforlife.co.uk)**