

## Pentland Housing Group

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# Pentland Housing Association Ltd

## Compensation for Improvements Policy

### 1 Introduction

- 1.1 It is recognised that tenants will often wish to carry out improvements to their home, but then find that they have to move sooner than expected, thus losing the value of those improvements. Pentland Housing Association operates a compensation scheme to contribute towards the cost of tenant improvements approved by the Association if the tenant moves.
- 1.2 As the scheme has to be funded out of rental income, it has to be restricted to a reasonable level and will only apply to improvements which are of real benefit to the Association. It must therefore exclude purely cosmetic improvements, for example replacement of existing kitchen units which were satisfactory, but would include upgrading and extending worn out kitchen units. The compensation will have to be limited to costs which the Association would reasonably incur if it were carrying out the work, so that a top of the range kitchen would only qualify for compensation based on a good quality standard kitchen.

### 2 Qualifying Improvement Work

- 2.1 Whilst not exhaustive, the following list identifies the type of work which would normally qualify for compensation, together with the notional life of the improvement which will form the basis of the calculation of compensation:

#### **Bathroom replacements/installations**

fixed bath or shower facilities	15 years
wash hand basin	20 years
toilet facilities	20 years
storage cupboards in bathroom	15 years

#### **Kitchen unit replacements/installations**

storage cupboards	20 years
kitchen sink including base unit	20 years
work surfaces for food preparation	10 years

#### **Central heating replacements/installations**

extension of partial heating system	12 years
immersion heater	5 years
thermostatic radiator valves	7 years
central heating	15 years

#### **Window replacements**

double glazed windows	20 years
draught proofing	10 years

<b>External doors</b>	
new door	20 years
draught proofing	10 years
<b>External improvements</b>	
house extensions	60 years
additional room	60 years
porch	60 years
loft conversion	60 years
<b>Electrical</b>	
Rewiring	20 years
other electrical fixtures	20 years
<b>Energy Efficiency</b>	
loft insulation	20 years
cavity wall insulation	20 years
Pipework or cylinder insulation	15 years
Sound insulation	20 years
<b>Adaptations for the Disabled</b>	
structural	20 years
fixtures and fittings	15 years
<b>Electrical Work</b>	
Rewiring, providing power or lighting	15 years
New provision of detectors or electrical fixtures	10 years
Security measures but not burglar alarms	10 years
Mechanical Ventilation to kitchen or bathroom	10 years

### **3 Eligibility of Tenants for Compensation**

- 3.1 All protected and assured tenants are eligible for the compensation scheme, as are their statutory successors or the representatives of a deceased tenant.
- 3.2 Those excluded from the scheme are outgoing tenants who have:
- transferred their tenancy to another member of their family
  - assigned their tenancy as a result of a mutual exchange
  - purchased the property under the Association's Right to Buy
  - abandoned the property
  - been lawfully evicted from the property

## **4 Qualifying Conditions**

- 4.1 Under the Housing Scotland Act 2001 Scottish Secure Tenants & Short Scottish Secure Tenants may be able to receive compensation from their landlord for improvements they have made to their home on or after 30 September 2002. To qualify for this compensation Pentland Housing Association must have approved the improvement and your tenancy must have ended. Consent will not be withheld and will normally be granted subject to the following conditions:
- that any proposed improvement will meet relevant standards in respect of materials, safety and workmanship. Manufacturer's recommendations for installations and maintenance must be adhered to and work must be undertaken by recognised contractors, eg GasSafe registered for gas installations
  - an unreasonable level of subsequent maintenance must not be required
  - the completed improvement must not detract from the future letting of the property. The cost of any upgrading required to enable us to relet the property will be deducted from any amount of compensation payable to the tenant.
- 4.2 Work carried out must accord with the work for which consent was granted, and must not be provided purely for cosmetic purposes.
- 4.3 Compensation will only be made on termination of tenancy, and it will not be treated as terminated unless the house is vacated by the person claiming compensation.
- 4.4 All the necessary building warrants and planning consents must have been obtained by the tenant, and the completed works must comply with these approvals.
- 4.5 The value of any improvement grants received by the tenant shall be deducted from any compensation payable.
- 4.6 The amount of any arrears of rent or rechargeable repairs will be deducted from any compensation payable.
- 4.7 Where the Association is carrying out an improvement programme and the tenant has chosen to pay the difference to obtain a more expensive fitting, fixture or system than is being supplied as standard, no compensation will be payable.

## **5 Amount of Compensation**

- 5.1 This will be calculated on the tenant's costs depreciated over the notional life of the improvement, after making any relevant deductions. An example is:

New kitchen units installed by tenant 5 years ago (y) at a cost of £500 (c) with a notional life of 15 years (n)

$$\begin{aligned} \text{Calculation:} \quad c \times (1-y/n) &= £500 \times (1 - 5/15) \\ &= \mathbf{£333} \end{aligned}$$

Adjustments will be made if:

- the cost paid by the tenant is considered to be unreasonable
  - the improvement is of a quality significantly above that which the Association would expect to install
  - the improvement has deteriorated more quickly than would normally be expected
- 5.2 There will be a minimum level of £100.00 and a maximum level of £4,000.00 for compensation payable to any one tenant.

## **6 Claims for Compensation**

- 6.1 Claims for compensation must be made within 28 days before the end of the tenancy and 21 days after, and contain sufficient information, including supporting receipts, to enable the Association to calculate the amount of compensation payable. Payment will normally be made within two months of receipt of the claim.

## **7 Arbitration Procedures**

- 7.1 If the tenant disputes the amount payable under this compensation policy, the procedures outlined in the Association's Complaints Procedures should be followed. If this does not resolve the grievance, the tenant can contact the Scottish Public Services Ombudsman for an independent ruling on the complaint.

## **8 Review of Policy**

- 8.1 This policy will be reviewed every 5 years unless amendment is prompted by a change in legislation reveals that a change in policy is required sooner.

Version 7     September 2013

Version 8     September 2016