



Compensation for Improvements Policy

V.7 – January 2023

Policy Number	M.08			
Document Owner	Technical Services			
Review Frequency	3 Yearly			
Reviewed by	Technical services			
Date Approved	January 2023			
Next Review Due	January 2026			
Version Number				
Consultation Required	Yes		No	x
Equalities Impact Assessment (attach copy if policy requires EIA to be done)	Yes		No	x
Added to Website	Yes	x	No	
Added to YEAR	yes		No	x

SSHC Reference	
SHR Reference	

Related Documents

- **Scottish Secure Tenancy Agreement**
- **Repairs and Maintenance Policy**

Translation Statement

If you have any difficulties reading this information or need further help understanding our processes please contact us. We can make this document available in a variety of formats. All you need to do is let us know what you need and we will try to assist.

Compliance

This policy has been drafted to ensure that it complies with current legislation and industry good practice.

Equality & Diversity

Fyne Homes is committed to providing services which embrace diversity and which promote equality of opportunity. As an employer we are also committed to equality and diversity within our workforce. Our goal is to ensure that these commitments, reinforced by our Values, are embedded in our day-to-day working practices.

Openness & Confidentiality

Fyne Homes believes that its members, tenants and other interested parties should have access to information on how it conducts itself. This means that unless information requested is considered commercially sensitive or personally confidential it will be made available on request.

General Data Protection Regulations

Fyne Homes recognises that the General Data Protection Regulations are an important piece of legislation to protect the rights of individuals in respect to any personal information that we may keep about them, whether on computer or in manual systems. We will treat your personal data in line with our obligations under the current data protection regulations and our own Data Protection Policy. Information regarding how your data will be used and the basis for processing your data is provided in our Transparency Statements.

1. Introduction

- 1.1. Under the Housing (Scotland) Act 2001, Scottish Secure Tenants may be able to receive compensation from their landlord for improvements which they have made to their home.

2. Aim

- 2.1. Fyne Homes Ltd, through this policy will ensure that as a Landlord the Association fully complies with our legislative duty under the Right to Compensation for Improvement Housing (Scotland) Act 2001 which came into force on 30th September 2002.

3. Links to vision and strategic priorities

- 3.1. This policy aims to fulfil the needs of the Association's Strategic Priorities, in particular meeting the needs and aspirations of our tenants.

4. Legal framework

- 4.1 This policy acts in accordance with the

- 4.1.1. Housing (Scotland) Act 1987
- 4.1.2. Housing (Scotland) Act 2001
- 4.1.3. Housing (Scotland) Act 2014
- 4.1.4. The Scottish Secure Tenants (Compensation for Improvements) Regulations 2002
- 4.1.5. Data Protection Act 2018

5. Managing and Reporting

- 5.1. In order to meet the above the Tenants and Residents Handbook will advise tenants of this legislation. They will also be advised annually by our Newsletters
- 5.2. When granting a request for authorisation to carry out an improvement to their Home, which may qualify under the Right to Compensation for Improvement scheme, (as detailed on Appendix 1), tenants will be advised that they must retain the original receipts for the completed work, as these will be required to calculate any compensation payment which may be due to them at a later date
- 5.3. Compensation will only be paid in relation to improvement work begun after the Regulations came into force and for which the tenant has had our written approval
- 5.4. Steps shall be taken at pre-termination inspection to identify any agreed works that qualify for compensation payment
- 5.5. Claims for compensation will be dealt with within the timescale contained in the Regulations
- 5.6. Compensation payments will be worked out in line with the formula for calculating

as contained in the Regulations and take into account the notional life of the item (as detailed in Appendix 1)

- 5.7. Compensation will be paid only in respect of items as detailed in the Schedule contained in the Regulations (as detailed in Appendix 1)
- 5.8. Compensation payable will be set off against any sum owed to Fyne Homes by the qualifying tenant
- 5.9. Where a claim is rejected, tenants will be made aware of the right of the decision to be reviewed as detailed in the Regulations
- 5.10. The amount calculated by the formula outlined in Appendix 1 is the amount that will normally be paid. However, this may be altered to reflect the following:
 - 5.10.1. the cost of the improvement work is considered excessive
 - 5.10.2. the improvement effected by the work has deteriorated at a rate greater than that provided for in the notional life for that improvement
 - 5.10.3. the improvement effected by the work is of a higher quality than it would have been had the landlord effected it

Where (5.10.1) or (5.10.2) applies, the amount of compensation may be reduced; where (5.10.3) applies, it may be increased. Assessments in this regard will be carried out by the Association's staff.
- 5.11. 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)

6. Exclusions

- 6.1 There will be no right to compensation for improvements where the tenancy has ended because:
 - 6.1.1 The tenancy has been transferred to another registered social landlord, for example via a (voluntary) Transfer of Engagements
 - 6.1.2 Because the tenant(s) has/have exercised the Right to Buy
 - 6.1.3 Because the Court has granted the Association a Decree for repossession (for example, eviction for a breach of the tenancy conditions)
 - 6.1.4 Because the tenant(s) has/have been transferred to another of the Association's properties that is substantially the same as the tenancy of the home where the improvement was carried out

7. Procedures

- 7.1. The Association will have adequate procedures in place to ensure that we comply with the Regulations

8. Reviewing process

- 8.1. This policy will be reviewed in line with the respective current Fyne Homes' policies, and/or where a change in legislation arises
- 8.2. If there is a procedural delay in the policy revision then the relative legislation in force at the time will prevail.

Version number	Revision Date	Part of doc revised	Reason for revision	Approved by
6				
7	01.23		3 yearly review – no changes required as no changes to legislation	Mgt Comm

FYNE HOMES LIMITED

APPENDIX 1 – QUALIFYING IMPROVEMENT WORK AND FORMULA

i) QUALIFYING IMPROVEMENT WORK AND NOTIONAL LIFE

<i>Column 1</i>	<i>Column 2</i>
<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	

ii) FORMULA FOR CALCULATION OF COMPENSATION PAYMENTS

The amount of compensation payable for qualifying improvement work shall be calculated in accordance with the formula:-

$$C \times \left(1 - \frac{Y}{N}\right) \quad *$$

which is the prescribed method of calculation for the purpose of section 30(5)(a)(ii) of the Scottish Secure Tenants (Compensation for Improvements) Regulations 2002 where-

C = the cost of the improvement work from which shall be deducted the amount of any grant made:-

- (i) under Part XIII of the 1987 Act; and
- (ii) under the Home Energy Efficiency Scheme Regulations 1997[3];

N = the notional life of the improvement effected by the work; and

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 and for the purposes of this paragraph part of a year shall be counted as a year.

* The equation should be tackled in the following order:

1. $\frac{Y}{N}$
2. Subtract the above result from 1
3. Multiply this figure by the Cost