

Fyne Homes Ltd

Compensation for Improvements

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Compensation for Improvement Policy

1. Policy Aim

Fyne Homes Ltd, through this policy will ensure that as a Landlord the Association fully complies with our legislative duty under The Scottish Secure Tenants (Compensation for Improvements) Regulations 2002 (“the Regulations”) which came into force on 30 September 2002.

2. Policy Objective

In order to meet the above, the following objectives need to be met:

- 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
- steps shall be taken at pre-termination inspection to identify any agreed works that qualify for compensation payment
- claims for compensation will be dealt with within the timescale contained in the Regulations
- 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 Appendix1)
- compensation will be paid only in respect of items as detailed in the Schedule contained in the Regulations (As detailed in Appendix 1)
- compensation payable will be set off against any sum owed to Fyne Homes by the qualifying tenant
- where a claim is rejected, tenants will be made aware of the right of the decision to be reviewed as detailed in the Regulations
- the tenants handbook will provide information of the legislation

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:

- a) the cost of the improvement work is considered excessive
- b) the improvement effected by the work has deteriorated at a rate greater than that

provided for in the notional life for that improvement

- c) the improvement effected by the work is of a higher quality than it would have been had the landlord effected it

Where (a) or (b) applies, the amount of compensation may be reduced; where (c) applies, it may be increased. Assessments in this regard will be carried out by the Association's staff.

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).

3. Exclusions

There will be no right to compensation for improvements where the tenancy has ended because:

- the tenancy has been transferred to another registered social landlord, for example via a (voluntary) Transfer of Engagements
- because the tenant(s) has/have exercised the Right to Buy
- because the Court has granted the Association a Decree for repossession (for example, eviction for a breach of the tenancy conditions)
- 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.

4. Procedures

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

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	10

ii) FORMULA FOR CALCULATION OF COMPENSATION PAYMENTS

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

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

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