



## Compensation For Property Improvements Policy

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### 1. Policy Aims and Objectives

1.1 It is the aim of Lyng Community Association to provide a high quality property and tenancy management service to our tenants that is timely, achieves high levels of satisfaction, delivers value for money and operates at an affordable cost and which complies in all respects to the law, current legislation and regulation.

1.2 The Association recognises that tenants may carry out improvements to their home and should they leave that home and move elsewhere, leaving that improvement in place for the benefit of the new incoming tenant and the Association (as landlord of an improved property) then it is appropriate to recognise the value of that improvement and make a suitable payment to the outgoing tenant. (as provided for in Section 4 (4) of the Association's Assured Tenancy Agreement which reads

*"Your right to compensation for improvements"*

*"We have a scheme under which you may be compensated for the costs of specified improvements at the time which you leave your home. The scheme operates in accordance with the requirements of the Housing Corporation guidance."*

1.3 This policy applies to the Association's rented properties and applies only to

those improvements that meet the criteria set out below. However in exceptional circumstances the Association may make a similar payment for an improvement that benefits the Association.

## **2. Entitlement**

2.1 Entitlement to compensation will depend on whether the following eligibility criteria is satisfied:

- The tenancy must be an assured tenancy
- Sole tenants or one of both joint tenants are eligible
- Cases of succession and certain assignments can qualify for entitlement.
- Tenants exercising a transfer or tenants exercising a mutual exchange are eligible at the time of the exchange
- Written consent must have been given by the Association before the improvement work was carried out. If consent was not given before the improvement works were carried out the Association may decide to give retrospective consent if the improvement being left will be to the benefit of both the new tenant and the Association.

2.2 Compensation will not be paid if the following factors are present:

- The compensation payable is less than £50
- The tenancy has ended as the result of an eviction
- A new tenancy of the same or substantially the same dwelling house has been granted to the qualifying person (or, in the case of a joint tenancy to all joint tenants) whether or not with anyone else
- The notional life of the improvement has expired
- Compensation has been paid under S100 of the Housing Act 1985 in respect of the improvement

## **3. Policy Details**

3.1 The Compensation for Property Improvements Policy forms part of the Association's commitment to customer service and improving its properties and in compliance with Right to Repair and Right to Compensation for Improvements Regulations set out in the Leasehold Reform, Housing and Urban Development Act 1993.

### **3.2 Eligibility of Improvements**

Tenants can claim for the cost of materials (but not appliances such as cookers or fridges) and labour costs (apart from the tenant's own labour). No compensation can be claimed for professional fees, or the costs of any relevant planning permission or consent under building regulations.

3.3 Compensation payable will be to a maximum of £3000 for any one improvement. No payments under £50 will be made

3.4 The table below lists some of the items on which compensation is payable and the notional life of the improvement, which is the life expectancy of the improvement in years.

3.5. Compensation will not be provided for any appliance a tenant has fitted that was not originally provided by the Association unless the Association considers the improvement is beneficial to the Association as landlord of the property.

<b>Type of improvement</b>	<b>Notional life (years)</b>
Bath or shower	12
Wash basin	12
Toilet	12
Kitchen sink	10
Storage cupboards in the bathroom or kitchen	10
Work surfaces for preparing food	10
Space or water heating	10
Thermostatic radiator valves	7
Insulating pipes, water tanks cylinders	10
Loft insulation	20
Cavity wall insulation	20
Draught proofing outside doors and windows	8
Double glazing or other window replacement or secondary glazing	20
Rewiring or providing power and lighting or other electrical fittings, including smoke detectors	15
Security measures	10
Erection of a wireless or television aerial	10
External decoration	5

Interior decoration, such as painting and wallpapering, does not qualify for compensation.

### **3.6 Basis for Calculating Compensation**

The Association will inspect the tenant's property and check the cost of the improvements. The value of any improvement will be reduced by its age based on the above notional life. Additionally the Association may give less compensation if the cost of the improvement was too much or the quality is higher than it would have been if it carried out the work. The Association may also adjust compensation, up or down depending on the condition of the improvement when the tenant claims. The sum payable may be offset against any debt the tenant owes when their tenancy ends.

### **3.7 Applications for Compensation**

The tenant must make a claim for any compensation for improvement works no more than 28 calendar days before or 14 calendar days after their tenancy is terminated.

In the claim the tenant must provide their name and address, details of what improvements were made, the receipt showing the costs of each improvement and the dates the improvements were started and finish

3.8 When the Association receives the claim an inspector will visit the property, assess the improvement and make a decision on the outcome of the claim. The Right to Repair compensation is not payable if the tenant has failed to give access to the Association for the work to be inspected or carried out. The Association will write to the tenant with the final decision within 21 days from the date the claim was received.

#### **4.0 Appeals Against Individual Decisions**

4.1 If a tenant does not agree with the decision made in regards to the compensation, they have the right to ask for reconsideration through the complaints procedure.

4.2 If a tenant makes a false claim for compensation, for example, a claim made for an improvement not actually made or a claim for more than the actual amount, the Association will consider whether can take legal action..

#### **5.0. Applying for Permission for Qualifying Improvements**

5.1 The Association will ensure that tenants are made aware of their right to improve their home and receive compensation for qualifying improvements.

5.2 Tenants will be required to submit an 'Improvement works or Alterations to your Home' application form for approval of proposed alteration or improvement work.

5.3 Tenants will be required to obtain all necessary local authority planning permission and building regulation approval. Tenants will also be required to submit copies of all relevant third party approvals before consent is given for works to commence.

5.4 As a matter of general policy approval will be given to tenants seeking to make improvements to their home unless there are valid reasons for not doing so.

5.5 When an initial request is received, the Association will inform tenants if their proposed improvements constitute 'qualifying improvements' under the scheme.