

Right to Compensation For Improvements

Review: 2017/18
Next Review: 2022/23



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The Right to Compensation for Improvements

1. Introduction

The Housing (Scotland) Act 2001 (The Act), introduced the Right to Compensation, for all Scottish Secure Tenants and Short Scottish Secure Tenants, for improvements carried out to their home on or after the 30th September 2002, provided they have Rosehill's written consent. This policy sets out how Rosehill will deal with applications to carry out improvements which might qualify for compensation, and how subsequent applications for compensation will be handled including how compensatory amounts are arrived at.

The purpose of this Policy is to set out how we will meet these requirements.

Therefore the main objectives of this Policy are to:

- Establish how Rosehill will compensate tenants for improvements carried out to their home provided they have written consent.
- Demonstrate how we will meet the Scottish Social Housing Charter Standards and Outcomes and our legislative duties
- Provide details on how the service is delivered.

2. Legal and Regulatory Framework

Whilst this Policy sets out to explain Rosehill's approach to the Right to Repair Scheme it must do so in the context of legal and regulatory requirements. Therefore the following relevant legislation has been taken into account in the development of this Policy:

- Housing (Scotland) Act 2001
- The Scottish Secure Tenants (Compensation for Improvements) Regulations 2002
- General Data Protection Regulation 2018

The Scottish Social Housing Charter

The Social Housing Charter came into effect in April 2012 and this sets the standards and outcomes that all social landlords should aim to achieve when performing their housing activities. The Charter replaces the Performance Standards and the outcomes relevant to this Policy are:

1. Equalities

Social Landlords perform all aspects of their housing services so that every tenant and other customer has their individual needs recognised, is treated fairly and with respect, and receives fair access to housing and housing services.

2. Communication

Social landlords manage their businesses so that tenants and other customers find it easy to communicate with their landlord and get the information they need about their landlord, how and why it makes decisions and the services it provides.

3. Participation

Social landlords manage their businesses so that tenants and other customers find it easy to participate in and influence their landlord's decisions at a level they feel comfortable with.

4. Quality of Housing

Social landlords manage their businesses so that tenants' homes, as a minimum, meet the Scottish Housing Quality Standard (SHQS) by April 2015 and continue to meet it thereafter, and when they are allocated, are always clean, tidy and in a good state of repair.

5. Repairs, maintenance and improvements

Social landlords manage their businesses so that tenants' homes are well maintained, with repairs and improvements carried out when required, and tenants are given reasonable choices about when work is done.

13. Value for Money

Social landlords manage all aspects of their businesses so that tenants, owners and other customers receive services that provide continually improving value for the rent and other charges they pay.

Social landlords are responsible for meeting the standards and outcomes set out in the Charter. The Scottish Housing Regulator is responsible for monitoring, assessing and reporting on how well social landlords, individually and collectively, achieve the outcomes.

In line with the regulatory principles, the Regulator's approach to monitoring landlords' achievement of the outcomes and standards in the Charter will be based on each landlord's performance information and their own assessment of their performance. Therefore, for each year ending on 30th September, we will be expected to:

- Measure and assess our performance in progressing towards or achieving the Charter outcomes and standards
- Provide the Regulator with some key performance information on our achievement of the outcomes and standards
- Report our performance to tenants and other service users who use our services.

2. Written Consent

Tenants are required under (Section 28, and Part 1 of Schedule 5) of The Act to obtain written consent from Rosehill before undertaking any improvement work, other than interior decoration in the house.

Rosehill will not unreasonably withhold consent, but has the right to include any standards and conditions with respect to the work including the need to obtain any Planning Consent or Building Warrant required.

Where legislation dictates that the work must be carried out by a qualified installer then Rosehill will ask the tenant to confirm in writing the name of the contractor or tradesman and their relevant qualification prior to permission being granted.

The tenant has the right to appeal to Rosehill and to a Sheriff against any refusal or conditions attached to the consent as set out in Schedule 5 of the Act.

Rosehill will reply in writing to a tenant requesting permission to carry out an improvement within 28 days of receiving notification. Failure to reply in writing within this period will indicate Rosehill has granted permission. We may refuse permission during this period and invite a fresh application with additional information and clarification.

3. Eligible Improvement Works

The following are improvement works, which are eligible for compensation:

- Bath or Shower Unit; (12)
- Cavity wall insulation; (20)
- Sound insulation; (20)
- Double glazing or external window replacement or secondary glazing; (20)
- Draught proofing of external doors or windows; (8)
- Installation of mechanical ventilation in bathrooms and kitchens; (7)
- Kitchen sink; (10)
- Loft insulation; (20)
- Insulation of pipes, water tank or cylinder; (10)
- Rewiring and the provision of power and lighting or other electrical fixtures; (including hardwired smoke detectors) (20)
- Security measures other than burglar alarm systems; (15)
- Space or water heating; (12)
- Storage cupboards in bathroom or kitchen; (10)
- Thermostatic radiator valves; (7)
- Wash hand basin; (12)
- Water closet (WC); (12)
- Work surfaces for food preparation; (10)

Interior decoration does not qualify for compensation.

The figures in brackets above are the notional life expectancies, in years, for each item. (See paragraph 8 below for how these affect compensation levels).

4. Effect of the Work on the Rent

Rosehill will not increase the rent of the tenant, the successor to the tenancy or the successor's spouse or co-habitee to reflect any increase in the value or amenities of the house arising from the improvement work undertaken and agreed with the Co-operative by the tenant.

5. Applying for Permission

5.1 Notification

Applications must always be made in writing and cannot be made retrospectively. Rosehill will ask for full details of any proposals including, but not restricted to, the type and specification of materials to be used, the name of any company/tradesman carrying out the works, the extent

of any guarantees, method statements, price, and receipts for labour and works and detailed plans and drawings all as appropriate.

When a tenant writes into the office seeking permission to carry out an improvement, the Technical Services Manager will acknowledge receipt of the application in writing to the tenant within 7 days confirming:

- This acknowledgement is not permission to proceed with the improvement but to confirm we have received the request.
- Whether or not additional information is required, and if so refusing permission and advising that a new application will need to be submitted.
- Outlining that permission will not be granted for any item to be replaced, for compensation purposes, where the existing item has not yet reached the end of its notional life as detailed in paragraph 3 above, unless it has deteriorated quicker than anticipated and the tenant has not caused such deterioration.

5.2 Permission to proceed

When the Technical Services Manager is satisfied that all the relevant information is at hand to make a decision to grant permission then permission will be granted subject to conditions, including, but not restricted to the following;

- Original versions of all relevant consents and/or warrants to be provided to Rosehill before works begin.
- Seven working days notice to be given to Rosehill of the date when work will commence.
- Access to be given at all reasonable times to inspect the work during construction.
- Tenant to adhere to the agreed specification.
- Supply Rosehill with copies of any relevant certificates relating to the work.
- Notify Rosehill when works are completed, and allow us to inspect them.

- Keep all receipts for material and labour costs in a safe place, together with the letter of consent issued by Rosehill, to submit with the claim for compensation at the end of the tenancy.

5.3 Completion of the Improvement Works

On completion of the improvement works, Rosehill will inspect the works and confirm the following to the tenant in writing:

- The improvement works have/have not been carried out to the satisfaction of Rosehill and in accordance with the consent previously issued.
- Confirm whether or not the improvement work qualifies for compensation at the end of the tenancy.
- The date of the completion of the works
- The notional life span of the components
- Recommended maintenance throughout the lifespan of the works

6. **Guidance on standards for improvement works**

Rosehill has the right to recommend certain types of appliances and manufacturers to comply with Rosehill's standard specification with regards to replacement parts.

- **Bath or shower**

Baths must be a minimum size of 1700mm X 700mm wide, made from Acrylic (minimum 5mm fully reinforced), Armacast or Steel as supplied by Armitage Shanks, Stelrad Doulton or equivalent with all relevant accessories such as slip resistant base, handgrips, panels and the likes. (Showers installed over an existing bath do not qualify for compensation, but separate shower cubicles do.)

- **Cavity wall insulation**

All improved properties owned by Rosehill have insulation included in the design and specification and will not require cavity wall insulation or are not suitable due to the type of construction; therefore permission will be refused. Unimproved properties without any external/internal wall insulation and where Rosehill does not plan to have improvements carried out within the next five years, will be considered provided consent from all other owners within the property has been given.

- **Double Glazing or external window replacement or secondary glazing**

Rosehill will not give permission for any window replacement, double-glazing, or secondary glazing in any of the improved/newbuild properties without a detailed report highlighting any failure of the present windows. The replacement of windows that are fully functional will not be approved or permission given to replace.

- **Draught proofing of external doors or windows**

Rosehill will not give permission to draught proof external doors that do not require to be draught proofed, e.g. where a door has three point locking, and the tenant is not engaging the mechanism properly then permission will not be given. Prior to granting permission to draught proof windows, a report must be given highlighting that there is a breakdown in the window sealing system. In these circumstances Rosehill will effect necessary repairs.

- **The installation of mechanical ventilation in bathrooms and kitchens**

Only where Rosehill has not fitted mechanical ventilation in kitchens and bathrooms will Rosehill consider such installation as an improvement.

A qualified contractor must carry out all electrical work; the type of fan must comply with the current Building Regulations including air change rates etc.

- **Kitchen sink**

The kitchen sink should be fitted in such a way as not to damage the existing worktop and sealed properly so as not to cause any leaks at the unit. The sink should be stainless steel type or equivalent complete with all accessories.

- **Loft insulation; pipes, water tank and cylinder**

Prior to permission being given for insulation, a report on the condition of the existing insulation must be provided which indicates why it needs to be replaced.

- **Rewiring and provision of power and lighting or other electrical fixtures; (including hardwired smoke detectors)**

Rosehill will only consider rewiring and provision of power and lighting fixtures where there is insufficient power and lighting fixtures in place at present. A qualified electrician must carry out any electrical works.

- **Security measures other than burglar alarm systems.**

Full details must be provided.

- **Space or water heating**

Where Rosehill has not provided space then Rosehill will consider applications as long as detailed installation drawings are provided. A Gas Safe registered engineer must carry out any gas work.

- **Storage cupboards in bathroom or kitchen**

Provided the tenant has not removed any existing storage cupboards, and the kitchen or bathroom can accommodate a storage cupboard, then Rosehill will consider such requests.

- **Thermostatic radiator valves (TRVs)**

Provided Rosehill has not already fitted TRVs on an original heating system then Rosehill will consider any such requests.

- **Wash hand basin and water closet (WC)**

Provided Rosehill has not already fitted a WHB & WC in the proposed location then Rosehill will consider such requests provided any planning consent and/or building warrant has been applied for and permission given in writing by the Local Authority, and so long as the number of persons accommodated by the property is not reduced as a consequence of the works.

- **Work surface for food preparation**

Rosehill will look at requests to replace work surfaces for food preparation in the kitchen and will only approve for compensation where the existing work surface has not been damaged by the tenant. Where a work surface already fitted is obsolete then all the work surfaces should be replaced at the same time with the same standard of work surface already fitted.

Rosehill may require a minimum standard specification for each of the improvements as detailed above. Rosehill may require standards in

addition to those listed, or may change these at any time, but not after consent has been issued.

7. Claims for compensation

- Claims for compensation must be lodged, in writing, to Rosehill no earlier than 28 days before a tenancy comes to an end or no later than 21 days after the tenancy has ended. Claimants must provide sufficient information to enable Rosehill to determine the claim including the date the improvement work was completed, and copies of all relevant receipts.
- Rosehill will respond to claims for compensation within 28 days of receiving sufficient information to determine the claim.
- Compensation will not be paid until after the qualifying person has moved out of the house and Rosehill has inspected the house to determine that it is in good condition. If there are matters which have to be remedied by Rosehill, the costs incurred will be deducted from any compensation payable.
- Compensation is not payable where the tenancy ends in one or more of the following ways:
 - An order for recovery of possession was made on any of the grounds specified in Part I of Schedule 2 to the Act
 - The house was disposed of under section 14 of the 1987 Act
 - The house was disposed of under section 65 of the 2001 Act
 - The right to buy under Part II of the 1987 Act has been exercised; or
 - Rosehill has granted the qualifying person a new tenancy, whether alone or jointly, of the same, or substantially, the same house.

8. Amount of compensation

Rosehill will pay up to a maximum of £4000 for any one improvement but will not pay compensation for any improvement under the cost of £100, when the tenancy comes to an end. The qualifying person can claim compensation for the cost of the materials (not cookers or fridges) and labour costs (but not his or her own labour or the tenant's labour).

In calculating compensation due to the qualifying person, Rosehill will start with the cost of the improvement. Rosehill will require the tenant to provide evidence of the amount spent. Rosehill will deduct any grant paid from the cost of the improvement and adjust the resultant value, to arrive

at a compensation level, by a depreciation formula based on the notional life of the improvement in accordance with the formula:

$$\text{Compensation} = C \times \frac{(1-y/n)}{n}$$

C = cost of improvement work from which should be deducted the amount of any grant made;

- (i) Under Part 8 of the 1987 Act and
- (ii) Under the Home Energy Efficiency Scheme Regulations 1997
- (iii)

n= the notional life of the improvement

y = the number of years starting on the date on which it was completed and ending on the date the tenancy ends. Part of a year counts as a whole year.

Rosehill will reduce the amount of compensation if we consider that the original cost of the improvement was excessive, by substituting our estimate of what the works should have cost had it been undertaken by Rosehill.

Rosehill will similarly reduce the amount of compensation if the quality of the improvement is higher than it would have been had Rosehill carried it out.

Rosehill will deduct from the amount of compensation any money the qualifying person owes to Rosehill.

Rosehill may adjust the level of compensation up or down depending on the condition of the improvement at the end of the tenancy.

9. Right of Appeal

If Rosehill refuses to pay compensation for an improvement, or the amount is disputed then the qualifying person can ask to have the decision reviewed within 28 days of notification.

Rosehill can have the decision reviewed or reconsidered by:

- An independent valuer or surveyor of Rosehill's choice;
- Any Rosehill Committee Member not involved in making the original decision
- The full Management Committee.

The qualifying person may make written or oral representations to the person(s) undertaking the review or reconsideration and, be accompanied by any representative of their choice.

Rosehill and the qualifying person may appeal to the Sheriff against any decision on a review or reconsideration.

10. Equal Opportunities

We are committed to ensuring equal opportunities and fair treatment for all people in its work. In implementing this Policy, we will provide a fair and equal service to all people, irrespective of factors such as gender, race, disability, age, sexual orientation, language or social origin, or other personal attributes.

11. Tenant Participation

We are a tenant focussed organisation and as such we are committed to involving tenants in all aspects of our work and ensuring that tenants are included, informed and consulted about decisions that have an impact on the way their homes are managed.

As part of this commitment we will involve our tenants in the development of our policies and seek feedback where appropriate. We will ensure that any significant changes to this Policy and other Policies which will affect our tenants will be the subject of consultation.

12. Risk Management

In all the key areas of our business we need to consider any risks which may arise. To this end we have in place a robust Risk Management Policy and from this flows our Risk Register. We have identified our "Top 10" risks which are regularly monitored by our Management Team and Audit Sub-Committee.

Key to the mitigation of the risks associated with The Right to Compensation for Improvements is having a comprehensive policy in place to manage the scheme. This policy sets out Rosehill's approach to the Right to Compensation for Improvements.

To ensure we continue to manage the associated risks we will periodically review this Policy to ensure compliance with all legislative requirements and regulatory and best practice guidance.

13. Complaints Procedure

We aim to get things right first time and provide a good quality service to our tenants and other customers. However, we acknowledge that things can go wrong and that some tenants or other customers may be unhappy with the service provided.

We promote our Complaints procedure through our website and periodic articles in our newsletters. In addition, we initially issued all of our tenants with a copy of the new Procedure introduced in October 2012. This information leaflet is also issued to all new tenants as part of the signing up pack.

We are required to report specifically to both our Management Committee and the Scottish Housing Regulator on any complaints concerning equalities issues.

14. Data Protection

On the 25th May 2018 the legislation governing data protection changed with the introduction of the General Data Protection Regulation (GDPR).

We hold a variety of Personal Data relating to individuals including tenants, waiting list applicants, factored owners, other service users, employees and Committee Members. Our Privacy Policy sets out the basis on which we can process and share such data with third parties, it also sets out how we will securely store individuals' data, whether electronically or in paper format. It also provides information on individuals' rights under GDPR including: to view personal data held about them by us; to request a restriction of processing of their data; the right to be forgotten and a right to object to us processing their data. In terms of the rights to be forgotten and to restrict or object to processing of Personal Data, any such requests will require to be considered on their own merits and legal advice will need to be obtained in some circumstances. We have the responsibility for accepting or refusing such requests and will do so in writing.

Under GDPR we are required to provide all customers whose Personal Data we hold with a Fair Processing Notice (also known as a Privacy Notice). The Notice sets out the Personal Data we process and the basis for doing so.

We will only keep and process Personal Data for the original purpose we gathered it for and we will not keep it for any longer than necessary. Attached to our Privacy Policy is a table of Retention Periods for Personal Data held and processed by us. We recognise that not all Personal Data

can be processed and kept for the same period of time, and this will vary depending on the individual circumstances of each person whose Personal Data we hold.

The Privacy Policy sets out what should happen in the event of a Data breach e.g. does the breach require reporting to the Information Commissioner's Office and whether the individual affected should be notified. Timescales are set out for dealing with data breaches.

Full copies of our Privacy Policy are available upon request at our office or from our website www.rosehillhousing.co.uk

15. Policy Review

This Policy will be reviewed at least every five years or sooner to ensure it continues to reflect current thinking and practice and to comply with legislative requirements and regulatory guidance.