

Policy Name	Tenant Alterations and Improvements Policy
Policy Category	Asset Management
Policy Number	AM005
Officer Responsible	Asset Manager
Applications	Lochaber Housing Association
Scottish Housing Regulator Standard	1 & 2
Equality Impact Assessment Complete	N/A
Date to Board of Management	June 2023
Next Review Date	June 2028

1.0 Introduction

1.1 Tenants of Lochaber Housing Association can make alterations and improvements to their homes. Their right to do so is set out in Sections 28-31, and in Schedule 5 of the Housing (Scotland) Act 2001.

1.2 Tenants must obtain the landlord's written consent before carrying out work. This is with the exception of interior decoration, which may be carried out without written consent.

1.3 "Work" is defined by the Act as:

- a) alteration, improvement, or enlargement of the house or of any fittings or fixtures,
- b) addition of new fittings or fixtures,
- c) erection of a garage, shed or other structure,

but does not include repairs to or maintenance of any of these.

1.4 Landlords have the power to reimburse tenants for the cost of improvements they have made in certain circumstances. This will be limited to the improvement costs the Association would reasonably incur if carrying out equivalent work through its own capital investment programmes.

2.0 Applying for permission to carry out work to a property.

2.1 Tenants are clearly advised of their obligation to seek written permission to carry out any work to their property through the following means:

- a) Guidance from their Housing Officer when explaining the Scottish Secure tenancy or Short Scottish Secure Tenancy agreement prior to signing the document.
- b) Corresponding information in the Association's leaflet *Carrying Out Improvements to Your Home*, copies of which are on display in the Association's office.
- c) Information in the appropriate section on the Association's website.

2.2 Tenants wishing to carry out work to their property must put their request in writing to the Asset Manager, including measurements and any plans or sketches where possible.

- 2.3 The Association will respond in writing within 2 weeks of receiving the application to inform the tenant whether or not it consents to the work.
- 2.4 Where consent is conditional, these conditions will be clearly stated to the tenant in writing.
- 2.5 Where consent is given, the tenant(s) must ensure that work is carried out safely and to the guidelines and standards required by the Association. The tenant(s) must adhere to any conditions or specifications set by the Association, and any damage caused to other parts of the property as a result of the work must be made good at the tenants' expense.
- 2.6 The tenant is also responsible for obtaining any Planning Permission, Building Warrants or other statutory approvals required before work is carried out and at their own expense.
- 2.7 Consent will not be refused unreasonably, and where consent is refused, the Association will detail its reasons for refusal in writing to the tenant.
- 2.8 Consent will normally be refused in the following circumstances:
- a) where the work would be unsafe.
 - b) where it would reduce the amenity of either the property itself or that of surrounding properties.
 - c) where planning permission would be/has been refused.
 - d) where it would result in cost to the Association which would not be incurred if the work was not carried out.
 - e) where the work would be unsightly or out of keeping with the property and/or scheme.
 - f) where it is not appropriate to the age/size/condition of the property.
 - g) where the value of the property would be reduced if it was sold on the open market.
- 2.9 The tenant may be required to reinstate the property to its original condition at any time during the remainder of the tenancy if the conditions of the original permission are not complied with.
- 2.10 Where a tenant has carried out work to a property at his or her own expense, with the written consent of the Association, the Association will not take that work into consideration when reviewing the rent level.
- 2.11 The Association will not normally assist the tenant with the cost of carrying out the works.

3.0 Appealing a refusal.

- 3.1 Where the Asset Manager has refused permission for work to be carried out or has attached conditions to permission that a tenant feels are unreasonable; they may appeal that decision by following the Association's complaints procedure. If the issue is not resolved, the tenant may contact the Scottish Public Services Ombudsman for an independent ruling.

3.2 If a tenant does not wish to pursue the matter through the Association's complaints procedure, or has done so and is not satisfied, they may take the matter to the Sheriff by raising proceedings through a summary application.

4.0 Unauthorised works

4.1 Where a tenant has carried out works without seeking the consent of the Association, the Asset Manager will decide, after inspection, whether to:

- grant retrospective approval for the work; or
- grant retrospective approval for the work, subject to any conditions the Association may require; or
- require the tenant(s) to seek retrospective planning consent, building warrants or other statutory approvals required, at their own expense; or
- treat the works as a rechargeable repair; or
- require the tenant to reinstate the property to its original condition at their sole expense.

4.2 The tenant will be informed in writing of their decision within two weeks of the inspection. Failure to comply with this decision will be considered a breach of the tenancy agreement, and appropriate action will be taken by the Association against the tenant(s).

5.0 Compensation for improvements

5.1 The Housing (Scotland) Act 1987 gave discretionary powers and guidelines to landlords to compensate tenants for some improvements when their tenancy ends, and the Housing (Scotland) Act 2001 gave tenants the right to receive compensation for certain improvements they have carried out to their homes when the tenancy ends.

5.2 The Association's policy and procedure regarding compensation for improvements is detailed in Appendix 1.

6. Equality, Diversity, and Inclusion

We are committed to ensuring equal opportunities and fair treatment and will:

- provide equality, fairness, and respect for all in our employment, whether temporary, part-time, or full-time
- not unlawfully discriminate because of the Equality Act 2010 protected characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race (including colour, nationality, and ethnic or national origin), religion or belief, sex and sexual orientation.

We are committed to removing any barriers to communication. Therefore, if required this Policy can be produced in another format e.g., braille, large print, etc. In addition, where English is not the employee's first language, the LHA Group will provide on request written information in the first language.

7. Data Protection

The organisation will treat 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 the LHA Group's employee privacy notice.

COMPENSATION FOR TENANTS' IMPROVEMENTS PROCEDURE

1.0 Introduction

- 1.1 The Housing (Scotland) Act 1987 gave discretionary powers and guidelines to landlords to compensate tenants for some improvements when their tenancy ends. In addition, the Housing (Scotland) Act 2001 gave Scottish Secure tenants and Short Scottish Secure tenants the right to receive compensation for certain improvements they have carried out to their homes when the tenancy ends.
- 1.2 The legislation establishes the qualifying improvements, the notional life of the improvement, the formula for calculating compensation, minimum and maximum amounts payable, timescales for processing claims and the various qualifications that apply.
- 1.3 If compensation is due, it will be set against any debt the tenant owes the Association, including rent arrears and rechargeable repairs, and will be calculated at the end of their tenancy.

2.0 Eligibility

- 2.1 **All** tenants who carried out an improvement on or after 30 September 2002 may be able to obtain compensation under the provisions of the Housing (Scotland) Act 2001 where the following conditions apply:
- The improvement is one of a list of qualifying improvements given in Appendix 1a.
 - The improvement must have been carried out on or after 30 September 2002.
 - The tenant making the claim either carried out the improvement or is a joint tenant together with the tenant who carried out the work or is the tenant who succeeded to the tenancy on the death of the tenant who carried out the work.
 - The tenant must have obtained written consent from the Association to have carried out the improvement and complied with any associated conditions.
 - The improvement must remain in the property as part of the fixtures and fittings and in reasonable working order, fair wear and tear **excepted**, when the tenant vacates the property; **and**
 - The tenancy must have ended.
- 2.2 Tenancies ending due to a Right to Buy sale, repossession or transfer to another LHA property will not qualify for compensation under this scheme.
- 2.3 Tenants who transferred to LHA from Scottish Homes in the stock transfer of 2002 and who carried out improvements prior to 30 September 2002 and are still living at the same property may be able to obtain compensation

under the provisions of the Housing (Scotland) Act 1987 where the improvement is still within the notional lifecycle guidelines included below. The following conditions apply:

- The improvement is one of a list of qualifying improvements given in Appendix 1 (a).
- The improvement must have been carried out before 30 September 2002.
- The tenant must have obtained written consent from Scottish Homes to have carried out the improvement and complied with any associated conditions.
- The tenant making the claim either carried out the improvement or is the tenant who succeeded to the tenancy on the death of the tenant who carried out the work.
- The improvement must have materially added to the price which the house might be expected to fetch if sold on the open market.

2.4 Compensation payable under the Housing (Scotland) Act 1987 is entirely at the discretion of Lochaber Housing Association. Where it is granted, the same general principles for calculating compensation for a Scottish Secure tenant will apply.

3.0 Making a claim.

3.1 To apply for compensation, a tenant must submit a claim in writing no earlier than 28 days before the date of termination of the tenancy and no later than 21 days after the termination of the tenancy. If the tenant has died, the tenant's representative must submit the claim. The claim must include the following:

- The name and address of the tenant.
- The improvement(s) the tenant has made.
- How much each improvement cost (with receipts).
- The date the improvements were started and finished; and
- Details of any grant received for the work.

3.2 Once a claim has been received, the property and improvement must be inspected by the Asset Manager, or an appropriate member of the Asset Management team, within 5 working days.

3.3 The inspecting officer must then submit a written report to the Asset Manager within 2 working days of the inspection on the estimated cost of the improvement and whether it is a qualifying improvement under either 2.1 or 2.3 above.

3.4 The Asset Manager will respond to the claim within 28 days of receiving it.

4.0 Calculating Compensation

4.1 Compensation will be calculated only on the real cost to the tenant of the improvement and will exclude:

- Any costs attributed to the tenant's own labour.
- Any grants received by the tenant towards the cost of the improvement.
- The cost of any professional fees paid.
- The cost of obtaining planning consent or consent under the building regulations.

4.2 Compensation for qualifying repairs that meet all the required criteria will be calculated according to the formula prescribed in SSI 2002/312, as follows:

$$\frac{C \times (1 - \frac{Y}{N})}{N}$$

C = the cost of the improvement work (less any grant awarded under Part XIII of the 1987 Act; and under the Home 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. Part of a year will be counted as a whole year: for example, 2 years and 6 months will be counted for this calculation as 3 complete years.

4.3 In addition to this calculation, LHA may reduce or increase the compensation payable if any of the following apply:

- The cost of the improvement was excessive.
- The improvement has deteriorated at a rate faster than its notional life.
- The improvement has deteriorated at a rate slower than its notional life.
- The improvement is of an exceptionally high quality.
- The value of any improvement grants received by the tenant(s) need to be deducted.

4.4 Compensation can not not be payable where it is calculated at less than £100, or greater than £4000 for each improvement.

4.5 Compensation will not be paid where the Association has carried out an improvement programme and the tenant has opted to pay the difference for a more expensive fitting, fixture, or system.

4.6 The Asset Manager will calculate the final compensation payment according to the above and will instruct the Finance section to issue payment to the claimant accordingly.

5.0 Appeals

5.1 If a claimant disputes the decision of the Association regarding compensation for improvements payments, the claimant must notify the Association of their dispute in writing within 28 days of receiving notification of LHA's decision following the Association's usual Complaints Procedure, which may also include referral to the Scottish Public Services Ombudsman (SPSO).

5.2 If, after the review, the applicant is not happy with the outcome of that review, they may appeal to the Sheriff.

APPENDIX 1(a)**QUALIFYING IMPROVEMENT WORK AND NOTIONAL LIFE**

Item	Notional life (years)
Bath or shower	12
Cavity wall insulation	20
Sound insulation	20
Double glazing or other external window replacement or secondary glazing	20
Draught proofing of external doors or windows	8
Insulation of pipes, water tank or cylinder	10
Installation of mechanical ventilation in bathrooms and kitchens	7
Kitchen sink	10
Loft insulation	20
Rewiring and the provision of power and lighting or other electrical fixtures including 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
Watercloset	12
Work surfaces for food preparation	10