



Right to compensation for tenant improvements policy

1. Introduction

- 1.1 Medway Council have a duty and commitment to all of our tenants to provide the appropriate compensation, upon termination of their tenancy, for improvement works they have carried out. The right to compensation for improvements is subject to certain qualifying criteria and regulations.

2. Purpose

- 2.1 This policy outlines the process that Medway Council Housing Services will follow when assessing and processing a claim for compensation for tenant improvements.

3. Scope

- 3.1 The Right to Compensation Policy for tenant improvements applies to all rented property owned by Medway Council Housing Services and all qualifying tenure types.

4. Legislation and Guidance

4.1 External

- 4.1.1 Housing Act 1985
4.1.2 The Secure Tenants of Local Authorities (Compensation for improvements) regulations 1994

4.2 Internal

- 4.2.1 Medway Council Tenancy Agreement(s)

5. Appendices

- 5.1 Appendix 1: Items on which compensation is payable and notional life
5.2 Appendix 2: Formula for calculating compensation.

6. Policy

- 6.1 Secure tenants of Medway Council are entitled to be paid compensation when their tenancy comes to an end for certain improvements they carried out to their home.
- 6.2 For there to be an entitlement to compensation, all the following eligibility criteria should be satisfied:
- 6.2.1 The tenancy must be secure.
6.2.2 The improvement must be a qualifying improvement under S97 of the Housing Act 1985.
6.2.3 The tenant must be a qualifying person under S99b of the Housing Act 1985.
6.2.4 The improvement work must have started on or after 1st April 1994.

- 6.2.5 Housing Services must have given written consent for the improvement before the work was carried out as per S97 of the Housing Act 1985.
- 6.3 Compensation will not be paid if any of the following factors apply:
- 6.3.1 The compensation payable is less than £50.
 - 6.3.2 The tenancy has ended as the result of an eviction.
 - 6.3.3 The tenancy has ended due to the occupant(s) exercising the Right to Buy.
 - 6.3.4 The dwelling house has been disposed of to the tenant or one of the joint tenants.
 - 6.3.5 A new tenancy of the same or substantially the same dwelling house has been granted to the qualifying person.
 - 6.3.6 Compensation has been paid under S100 of the Housing Act 1985 in respect of the improvement.
 - 6.3.7 The notional life of the improvement has expired.
- 6.4 A table which 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 can be found in Appendix 1.
- 6.5 Compensation will not be provided for any appliance a tenant has fitted that was not originally provided by Medway Council.
- 6.6 Interior decoration, such as painting and wallpapering, does not qualify for compensation
- 6.7 The formula used for calculating compensation can be found in Appendix 2.
- 6.8 Deductions to the compensation payable will be made if:
- 6.8.1 The cost of the improvement was excessive.
 - 6.8.2 The improvement has deteriorated at a greater rate than is specified as the notional life in Appendix 1.
 - 6.8.3 Any money is owed to Housing Services by the tenant for example rent arrears, service charge arrears, rechargeable repair or court costs.
- 6.9 Compensation can be claimed for the cost of materials, but not appliances such as cookers or fridges and labour costs (apart from the tenants own labour).
- 6.10 No compensation can be claimed for professional fees, or the costs of any relevant planning permission or consent under building regulations.
- 6.11 Compensation payable will be to a maximum of £3000 for any one improvement. No payments under £50 will be made.
- 6.12 The tenant(s) must make a claim for any compensation for improvement works no more than 28 calendar days before or 14 calendar days after the tenancy is terminated.
- 6.13 The tenant(s) will need to 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 finished.

- 6.14 Once a claim is received, a visit will be made to the property by a buildings inspector, who will assess the improvement and make a decision on the outcome of the claim.
- 6.15 The claimant will then be written to with the final decision within 21 days from the date the claim was received.
- 6.16 If a tenant does not agree with a decision made in regards to compensation for improvements, through the complaints procedure they have the right to ask for reconsideration.
- 6.17 Tenant(s) also has the right to take the issue to court if they do not agree with the final decision. In this case advice should be sought from a solicitor or the Citizens Advice Bureau.
- 6.18 If anyone 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 Council can take the tenant to court.

7. Role, Responsibilities and Authority

- 7.1 The Assistant Director Physical and Cultural Regeneration retains the overall responsibility for the implementation of this policy.
- 7.2 The Deputy Head of Housing is responsible for the operational delivery of this policy, the associated procedures and has the responsibility for ensuring that this policy complies with Regulatory and Legislative requirements.

8. Monitoring, Review and Evaluation

- 8.1 Regular monitoring will take place to ensure that Housing Services is dealing with applications for compensation for improvement work in line with this policy.
- 8.2 The results will be used by Housing Services to inform future policy review in this area and drive up service standards. All reviews will consider whether:
- 8.2.1 the current policy adheres to legislative and regulatory requirements, and reflects current good practice;
 - 8.2.2 the aims and objectives of the policy being met;
 - 8.2.3 the current policy outcomes meet the needs and aspirations of our diverse customer base;
 - 8.2.4 service users are aware of and understand the policy and believe it to be consistent and fair;
 - 8.2.5 the service offers value for money;
 - 8.2.6 partnership arrangements are working effectively.
- 8.3 This policy will be reviewed on a biennial basis or in line with legislative or regulatory changes.

Cross References: Repairs Policy,
Lead Officer: Head of Housing Services.
This version: September 2016
Next review: September 2018

Appendix 1 - Items on which compensation is payable and notional life.

Type of improvement	Notional life
Bath or shower	12
Wash-hand basin.	12
Toilet	12
Kitchen sink	10
Storage cupboards in the bathroom or kitchen	10
Work surfaces for food preparation	10
Space or water heating	12
Thermostatic radiator valves	7
Insulation of pipes, water tank or cylinder	10
Loft insulation	20
Cavity wall insulation	20
Draught proofing of external doors or windows	8
Double glazing or other external window replacement or secondary glazing	20
Rewiring or the provision of power and lighting or other electrical fittings(including smoke detectors)	15
Any object which improves the security of the dwelling-house, but excluding burglar alarms	10

Appendix 2: - formula used for calculating compensation

C x (1-Y/N)

C = original cost of the improvement (any financial assistance, such as a grant, that was paid towards the cost of the improvement will be deducted from the cost)

Y = the number of complete years the improvement has been in place (with part of a year being rounded up to a complete year) starting on the date the improvement was completed and ending on the date the compensation is claimed

N = the notional life of the improvement