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Policy:	Right to Compensation for Improvements Policy
Legal Requirements:	The Housing (Scotland) Act 2001 introduced the tenant's right to compensation for improvements from 30 September 2002. The authority for the right to compensation for improvements is set by The Scottish Secure Tenants (Compensation for Improvements) Regulations 2002 (Scottish Statutory Instruments 2002 No.312). The legislation to which these regulations refer is set out in Sections 30 of the Housing (Scotland) Act 2001. It must be noted that regulations in respect of compensation for improvements undertaken by secure tenants who have converted to the Scottish Secure Tenancy will be assessed under the Secure Tenants (Compensation for Improvements) (Scotland) Regulations 1994.
Regulatory Standards:	The Scottish Housing Regulator has set out Regulatory Standards for all Registered Social Landlords (RSLs) to ensure that RSLs deliver good outcomes and services for its tenants and service users through good governance and financial management. This policy evidences that the following Regulatory Standards are being met: Standard 2. The RSL is open about and accountable for what it does. It understands and takes account of the needs and priorities of its tenants, service users and stakeholders. And its primary focus is the sustainable achievement of these priorities. Standard 5. The RSL conducts its affairs with honesty and integrity.
Notifiable Events Guidance:	In compiling this policy, consideration has been given to the Notifiable Events Guidance issued by the Scottish Housing Regulator and the impact of that guidance on the policy.
Equality and Diversity:	The Association is committed to Equal Opportunities and will endeavour to ensure that all services are carried out in an undiscriminating manner in line with the Association's Equality and Diversity Policy. In particular, the Association will not discriminate on the grounds of age, disability, marriage and civil partnership, pregnancy and maternity, race, religion or belief, gender, gender reassignment or sexual orientation.
Human Rights:	In compiling this policy, consideration has been given to "The Right to Adequate Housing" (Fact Sheet No. 21/Rev.1) published by the Office of the United Nations High Commissioner for Human Rights and the impact of that guidance on the policy. In particular, the Association is satisfied that this policy promotes the key aspects of the right to adequate housing – that it contains freedoms; entitlements; provides more than four walls and a roof; and protects against forced evictions.
Complaints:	Although the Association is committed to providing high levels of service, we accept that there may be occasions where customers may not be satisfied with the service they have received. The Association values all complaints and uses this information to improve the services that it provides. The Association's Complaints Policy describes our complaints handling procedure and how to make a complaint.
General Data Protection Regulation (GDPR):	The Association will treat all customers' personal data in line with its obligations under the current data protection regulations and our Privacy Policy. Information regarding how data will be used and the basis for processing data is provided in the Association's Fair Processing Notice.
Policy Author:	Kevin Freeman
Policy Review:	In order to ensure that any change in circumstances is accommodated this policy will be subject to review every three years in the month of October.
Policy Approval:	This policy was last reviewed / approved by the Management Committee of Yoker Housing Association Limited at its meeting held on Thursday the 25th of September 2025.



Statement of Policy Aims and Principles

A tenant's right to compensation for improvements is set out in the aforementioned legislation. This legislation gives tenants the right to receive compensation from their landlord for certain works (referred to as qualifying improvements) carried out by them during the course of their tenancy. This policy outlines the principles that will be used by Yoker Housing Association Limited ("the Association") in assessing and processing claims.

The aim of this policy is to ensure that the Association complies with its statutory requirements in a prompt, efficient and transparent manner.

Policy Details

Main Components of the Right to Compensation for Improvements

- 1) The tenant must have the written consent from the Association prior to making the improvement. Alterations made without the Association's written consent will not qualify for compensation. The Association will not unreasonably withhold permission to carry out an alteration or improvement. The Association's policy on granting permission for alterations and improvements is set out in our Alterations and Improvements Policy.
- 2) The improvement(s) must comply with the list of Qualifying Improvements as detailed in The Scottish Secure Tenants (Compensation for Improvements) Regulations 2002 (Scottish Statutory Instruments 2002 No.312).
- 3) The qualifying improvement work must have been started after 30 September 2002.
- 4) Compensation can only be paid at the end of a tenancy.
- 5) Compensation will not be paid if the calculated amount is less than £100 (one hundred pounds).
- 6) The maximum compensation payable will be £4,000 (four thousand pounds) per improvement.

Qualifying Person

A Qualifying Person is a person who, immediately before the termination of the tenancy, is a tenant under a Scottish Secure Tenancy and is:

- the tenant who has carried out the qualifying improvement work;
- a tenant of a joint tenancy which existed at the time when the qualifying improvement work was carried out;
- a tenant who succeeded to the tenancy under Section 22 of the Housing (Scotland) Act 2001 on the death of the tenant who carried out the work and the tenancy did not cease to be a Scottish Secure Tenancy on this succession.

It is assumed in the case of a joint tenancy that the right to compensation will be resolved between those who jointly qualify for compensation. If one joint tenant cannot be traced when compensation is to be paid, the full amount of compensation due should be paid to the remaining qualifying person. It is for the missing qualifying person to recover his/her share from those to whom it was paid.

Exceptions

Compensation shall not be payable if:

- the compensation which would otherwise be payable is less than £100
- an order for recovery of possession was made by the Association on any of the grounds for recovery as specified in Part 1 of Schedule 2 to the Housing (Scotland) Act 2001;
- the house was disposed of under Section 14 of the Housing (Scotland) Act 1987;
- the house was disposed of under Section 65 of the Housing (Scotland) Act 2001;
- they exercise their Right to Buy under Part 2 of the 1987 Act;
- the qualifying person has been granted a new tenancy, whether alone or jointly, of the same, or substantially the same, house by the Association.



Making a Claim

To qualify for compensation, a tenant must submit a claim in writing during the stipulated notice period from 28 days before until 21 days after the tenancy termination date. The claim must contain sufficient information for the Association to calculate the amount of compensation payable. The Association will ask for such information which must include:

- the name of the tenant(s) and address of the property to which the claim refers;
- a description and cost of each of the improvements for which a claim is being made;
- the start and completion date of each improvement;
- details of any cost NOT borne by the tenant (e.g. grant assistance);
- receipts or invoices for works carried out.

The Association will request this information by issuing a form to the qualifying person.

The Association will respond to a claim for compensation for improvements within 28 days of the date when the claim was received.

Calculation of Compensation

The formula for calculating the compensation, which has been set out by the Scottish Government (Scottish Statutory Instruments 2002 No 312), will be as follows:

COMPENSATION = $C \times [1 - (Y/N)]$ where:

C = the cost of the improvement work minus any grants made

N = the notional life of the improvement

Y = the number of years since the repair was carried out, starting on the date on which the improvement was completed and ending on the date on which the tenancy ends (part of a year shall be counted as a year).

Example

A tenant installs a bathroom 5 years ago (Y). The cost of the improvement work was £1,000 (C). Notional life of the improvement is 12 years (N).

$$1000 \times [1 - (5/12)]$$

$$1000 \times (1 - 0.4)$$

$$1000 \times 0.6$$

Compensation payable = £600

The qualifying improvement works and their notional life is listed in Appendix 1.

The Association may deduct from the amount of compensation calculated in accordance with the above formula such sum as is reasonable if:

- the cost of the improvement work was excessive;
- the improvement effected by the work has deteriorated at a rate greater than that provided for in the notional life for that improvement;
- the improvement effected by the work is of a higher quality than it would have been if the Association had effected it.

Where the improvement has deteriorated at a rate lower than that provided for in the notional life for that improvement the Association may add to the amount of compensation calculated in accordance with the above formula such sum as is reasonable in order to take into account that the improvement has so deteriorated notwithstanding that otherwise the amount of compensation calculated in accordance with the formula would be nil.



Set Off

The Association may set off against any compensation payable any sum owed to it by the qualifying person.

5 Appeals Procedure

If the tenant is not satisfied with the Association's decision, the tenant may request the decision to be reconsidered within 28 days of the decision outcome.

10 Where a review or reconsideration is required, the decision will be reviewed by one or more members of the Association's Management Committee who took no part in making the original decision.

The tenant may make written or oral representation (accompanied if they wish by a person of their choice) to the person or persons undertaking the review or reconsideration.

15 The Association will notify the tenant of the outcome of the appeal within 28 days of receipt.

The tenant or the Association have the right to appeal to the Sheriff against a decision taken on a review.

**Appendix 1 – Qualifying Improvement Work and Notional Life**

The list below itemises the qualifying improvement works as defined by The Scottish Secure Tenants (Compensation for Improvements) Regulations 2002.

Item	Notional Life (in years)
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