



## Alterations and Improvements Policy

<b>Linthouse Housing Association</b>
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<b>Policy Implementation Checklist:</b>	
Policy Guardian:	Chief Executive
Policy Author:	Policy Manager
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## Section 1: Introduction

### 1.1 Alterations and Improvements

Under the Housing (Scotland) Act 2001, The Scottish Secure Tenants (Compensation for Improvements) (Scotland) Regulations 2002, tenants have the right to undertake alterations and improvements to their home.

Tenants may request permission to carry out alterations and improvements to the inside or outside of their home, including their garden.

Under the legislation, where a tenant has carried out certain qualifying works with the consent of the landlord, and met all qualifying conditions, they, or other qualifying persons, are entitled to claim compensation for these works when the tenancy ends.

This Policy outlines the requirements for tenants applying to Linthouse Housing Association for consent to make alterations or improvements to their home and the circumstances in which a claim to compensation for certain qualifying improvements can be made.

**Note:** In this document Linthouse Housing Association is referred to as 'we', 'our' or 'us'.

### 1.2 Scope

This Policy applies to all tenants of Linthouse Housing Association. It outlines what tenants qualify to make alterations or improvements to their property and in what circumstances this will entail compensation.

It also outlines the procedure that we will follow for calculating compensation, as well as detailing the responsibility of the Technical Services Manager ('TSM') to evaluate the reasonableness of any costs that are claimed by tenants in relation to this Policy.

### 1.3 Equality and Diversity

Equality and diversity reflect core values of our organisation that inform and shape our business approach and actions. We are committed to promoting an inclusive and diverse culture that treats every individual with dignity, respect and fairness. We will actively challenge discrimination and empower people to succeed.

We will ensure that equality and diversity is embedded in all of our activities, policies, and decision-making processes

If you require further information, please refer to our Equality and Diversity Policy.

### 1.4 Our Mission

The Alterations and Improvements Policy forms part of our mission to:

“deliver high quality and cost-effective housing services designed to meet the needs of existing and future customers. To work in partnership with others to create thriving communities that people want to live and work in”.

### 1.5 Our Vision and Values

Our vision is the creation and sustainment of lasting, unique, vibrant homes in stable, popular and ambitious urban communities. Our vision is underpinned by four core values which we apply to all areas of our business. These are to be:

- i. Customer Driven
- ii. Honest
- iii. Accountable
- iv. Transparent

## 1.6 Our Organisational Culture

Our **C.H.A.T** values as outlined, form the foundation of our **Listen, Hear, Act (L.H.A.)** customer excellence and organisational culture programme. All staff receive training at induction on customer service standards and the organisational culture we promote. This includes reference to our equalities policy and a requirement to treat colleagues, tenants, contractors, service users and any other stakeholders with dignity and respect.

The organisational culture we promote is based on finding solutions to suit customer needs regardless of individual differences. To do this we will:

- 1. Listen** - We are committed to listening to those we do business with, be that our customers, staff, stakeholders, regulators or funders, to ensure that our responses are reflective of what people are saying to us.
- 2. Hear** - Once we listen and understand the need/demand/offer that is presented, we will ensure that we fully understand what is being said.
- 3. Act** - Whilst we will think about what we do, we want to be known for acting swiftly to deliver solutions and for always keeping our promises.

Our Customer Service Standards aim is to ensure all of our service users receive an excellent standard of service. The Standards help define what our customers can expect when contacting or engaging with the staff in our office. It is available on our website, direct from the office, or in other formats as required.

## 1.7 Overarching Objectives

Our primary aim is to grant permission allowing our tenants to make alterations and improvements to their homes, subject to reasonable conditions. Where applicable, we will award compensation to any individual who has enhanced their property and who we deem eligible under the scheme. In order to achieve our aim, our three overarching objectives are:

- to provide high quality operating processes that enable us to respond in an open, clear, timely and transparent manner to our tenant's requests to make alterations or improvements;
- to comply with the relevant legislation in order to grant permission to tenants to make alterations and improvements; and
- to facilitate improvements in our housing stock.

## 1.8 Applicable Definitions

### 1.8.1 Definition of Qualifying Tenant

A qualifying tenant is someone who has access to the scheme in accordance with the relevant legislation. This is expanded in Section 3.2.

### 1.8.2 Definition of Qualifying Improvements

Similarly, qualifying improvements are improvements that entail compensation. This is addressed in Section 3.3.

## Section 2: Right to Apply to Make Alterations/Improvements

### 2.1 General Components

Section 5 of the Scottish Secure Tenancy ('**SST**') Agreement outlines a tenants rights and responsibilities relating to permission for carrying out alterations or improvement work to their property, either internally or externally. Tenants are reminded of the requirement for written consent before carrying out alterations at sign-up prior to signing the SST.

We will provide an application to carry out Alterations or Improvements form and associated Tenant Information Leaflet for tenants wishing to request permission. Applications should be made on a form available from Linthouse Housing Association.



The following applies to applications received by Linthouse Housing Association:

- Written requests will be acknowledged within three working days, where reasonable. The Asset Management Team will thereafter arrange to carry out a pre-inspection of all reasonable requests and discuss the proposed works with the tenant. Failure to provide access to association staff for inspection at this stage will result in a refusal to grant permission.
- Depending on the type of improvement work, an application for Planning Consent and possibly a Building Warrant may be required from Glasgow City Council. Permission to start the work will not be granted until this documentation is provided. We will respond to all requests in writing within 28 days to confirm if permission is either granted, refused, or further conditions have been imposed/information required prior to permission being granted.
- Where the request is made to install non-standard components, for example high quality light fittings or shower, a condition for permission can include the requirement to refit the standard component and restore to the original standard at the end of the tenancy. Failure to do this will result in a recharge to the tenant. We will not take ownership for alterations or improvements that cannot be maintained under the normal reactive repairs contract.
- If we have given permission and the alteration is a standard component, we will adopt it for future maintenance.
- If further conditions are imposed/information required that cannot be met within the 28 days' qualifying period, the application will be refused on this basis and a request made to re-submit when the conditions have been met.
- This includes statutory planning consent from Glasgow City Council. On receipt of the required consent(s), the application will be re-assessed, and a decision made within 28 days from the date of the resubmission.

- On completion of the works, the Technical Services Manager will arrange a post inspection and the details recorded on the Capita database system. This will include any defect period or warranties.

## Section 3: The Legal Framework

### 3.1 The Housing (Scotland) Act 2001: General Overview

The Housing (Scotland) Act 2001 introduced the Right to Compensation for Improvements scheme. The scheme is governed by section 30 of the Act.

### 3.2 The Housing (Scotland) Act 2001: Qualifying Tenants, Mutual Exchange and Joint Tenancy

#### 3.2.1 Qualifying Tenants

Section 30(1) stipulates that the individual must be deemed a 'qualifying person' who is, immediately before the tenancy terminates, a tenant under a Scottish secure tenancy and;

- a) is the tenant who carried out the qualifying improvement work;
- b) is a tenant of a joint tenancy which existed at the time the work was carried out; or
- c) is a tenant who succeeded to the tenancy on the death of the tenant who carried out the work, provided that the tenancy did not cease to be a Scottish secure tenancy on the succession.

#### 3.2.2 Mutual Exchange

Provided that the outgoing tenant has undertaken a qualifying improvement and both tenants sign a new missive, compensation can be awarded. The new tenant may be subsequently charged a higher rent where appropriate.

### 3.2.3 Joint Tenancy

In the case of joint tenancy, it is implicitly assumed that this will be resolved between those who jointly qualify. If one tenant cannot be traced, compensation will be paid to the other tenant. It is for the absent tenant to recover their share, as specified under section 30(6)(b) of the Act.

### 3.3 The Housing (Scotland) Act 2001: Qualifying Improvements

The improvement must be “qualifying” and have started on or after 30 September 2002. These are listed in Appendix 1. This also includes the notional life in years of each qualifying improvement.

### 3.4 The Housing (Scotland) Act 2001: Exceptions to the Scheme

There are various exceptions which preclude a tenant from using the scheme:

- the tenant has exercised their Right to Buy;
- the Association has secured a court order to repossess the property;
- the compensation is less than £100;
- the qualifying tenant has been awarded a new tenancy with regards to the same property. Compensation would only be payable at the end of the tenancy when the property is vacated;
- the qualifying tenant/successor has already obtained compensation;
- the qualifying tenant abandons his/her tenancy; or
- the tenancy has been transferred to another registered social landlord.

Granting retrospective consent, for an improvement conducted prior to the Association acquiring the stock, does not render the improvement qualifying in nature.

## Section 4: The Alterations and Improvements Principles

### 4.1. The Alterations and Improvements Principles: Applicable Standards

The principles are as follows:

- to recognise when it is appropriate to exercise our discretion with regards to an award of compensation;
- to ensure that compensation is paid in a fair, consistent and impartial manner; and
- to create thriving communities that people want to live and work in.

## Section 5: Implementation of the Principles

This section outlines various mechanisms that will be employed in order to implement our principles.

### 5.1 Submitting a Claim

To reiterate, the tenant must submit their claim in writing 28 days before until 21 days after the tenancy ends. Whilst appeals can be made to the Sherriff Court, compensation for certain qualifying improvements is only payable if we have unilaterally agreed to the improvements.

In order to qualify, the following information will be required:

- the name of the tenant(s) and the address of the relevant property;
- a description of each of the improvements conducted for which the claim is being advanced;
- the start/completion date and total cost of each improvement (excluding the tenant's own labour costs and appliances such as cookers and fridges);

- invoices or receipts in relation to the improvements that have been conducted;
- details of any costs not borne by the tenant, such as any grant provided by the Association, public bodies, or any other sources; and
- a letter from the Association confirming our permission to perform the improvement.

VAT will be excluded from any calculation for compensation.

Tenants are required to provide receipts to support a potential claim for compensation; however, the Association should aim to obtain such at the time of consent. In the absence of such, the tenant will be asked to provide a rough estimate of the original cost (excluding their own labour).

The Technical Services Manager will evaluate the reasonableness of any cost claimed by the tenant. If the original cost is considered excessive, the amount of compensation payable can be minimised. This assessment must also consider whether the tenant would not have the benefit of any contract costs or economies of scale available to the organisation. Compensation can also be decreased or increased depending on the condition of the improvement when the tenancy terminates.

If the necessary receipts or invoices are not accessible, the Technical Services Manager is obliged to make a reasonable decision as to whether the work was undertaken by a qualified contractor.

## 5.2 Calculating Compensation

Compensation will be calculated in accordance with the calculation provided by paragraph 5 of the Scottish Secure Tenants (Compensation for Improvements) Regulations 2002 (outlined below).

This formula considers the original cost of the improvement and subsequently reduces its value in line with its projected notional life. Given that the condition of the improvement depreciates over time, the level of compensation payable diminishes.

This calculation excludes:

- any costs that are attributable to the tenant's own, independent labour;
- any grants that the tenant has received with regards to the cost of the improvement;
- the cost of any professional fees that have been paid;
- the cost of obtaining Planning Consent or consent under the Building Regulations; and
- VAT paid.

The basis for calculating compensation involves taking the tenant's original cost, discounted over the notional life of the improvement that has lapsed since the improvement was completed. The Technical Services Manager can also deduct an additional notional amount for excessive wear and tear. Moreover, they are also entitled to increase the compensation if the condition of the improvement is notably better than could be reasonably expected.

Depreciation for the elapsed time will be determined on the straight-line method. Part years will constitute full years. The formula to be applied is expressed as:

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

*C = the eligible cost of the improvement  
(excluding grants etc.)*

*N = the notional life of the improvement  
(as per Appendix 1)*

*Y = the number of years (inc. part years)  
that have elapsed since the improvement  
was completed.*

In the event that the tenant owes LHA money, such debt will be deducted from the initial compensation calculated. The lower financial limit of compensation for any one improvement is £100. The upper financial limit of compensation is £4,000.

In submitting an offer of compensation, the Technical Services Manager must outline how the figure was ascertained. This must encompass details of any deductions (or supplements) and how the figure may have fluctuated in relation to the upper or lower limits.

## 5.3 Payment of Compensation and Potential Reviewal of

### Rent 5.3.1 Payment of Compensation

Payment will be made to the qualifying individual. Compensation will only be paid once the tenancy agreement has terminated and the property has been completely vacated.

Where there exists more than one qualifying person but one cannot be traced, the compensation will be paid to the other tenant. Again, the absent tenant is still entitled to recover their share from the other tenant, albeit they will have no further claim against the Association. Payment is typically made within 28 days of full information being available.

Payment in full will be off set against any outstanding debt owed to the Association as outlined. This includes rent arrears, rechargeable repairs, outstanding court costs or any other outstanding debts.

### 5.3.2 Potential Reviewal of Rent

If the improvement for which reimbursement has been made is particularly substantial, the Head of Customers Solutions and Asset Manager should determine whether the rent for the property should be revised for the subsequent tenant in line with the current Rent Setting Policy.

## 5.4 Refusal of an Application and Right of Appeal

We cannot refuse a request to carry out an alteration or improvement unless there are reasonable grounds for doing so. If we refuse permission or impose a condition on the proposed work, we will write to the tenant explaining why this decision has been made.

Where a tenant is dissatisfied with our decision the tenant may in the first instance appeal this decision through our Complaints Handling Procedure (see section 6).

A written appeal should be lodged within 28 days of our decision to The Technical Services Manager, 1 Cressy Street, Linthouse, Glasgow G51 4RB.

Should the tenant remain unhappy with our decision they may ultimately raise proceedings by summary application to the Sheriff Court.

## 5.5 Works Completed Without Landlord's Consent

It is acknowledged that tenants undertake alterations/improvements without the written consent of the Association. In such cases no compensation will be paid for these works.

Where a staff member notes alterations/improvement undertaken without the Association's consent, retrospective permission may be granted.

We have discretion to grant retrospective consent on an ex-gratia basis. If the tenancy forms part of a stock transfer, documentary evidence is required, highlighting the prior landlord's permission.



## Section 6: Complaint Handling Procedure

### 6.1 General Complaint Handling Procedure

LHA employ a particular complaint handling procedure that was established for housing associations throughout Scotland and developed by the Scottish Public Services Ombudsman.

In accordance with housing law, we provide our tenants with thorough information pertaining to our complaint policy. Moreover, we also advise all service users on their right to complain.

A complaint is defined as:

“An expression of dissatisfaction by one or more members of the public about the housing association’s action or lack of action, or about the standard of service provided by or on behalf of the housing association”.

Detailed information on how to make a complaint is readily available by request from our office or on our website ([www.Linthouseha.com](http://www.Linthouseha.com)).

## Section 7: Compliance

### 7.1 Annual Report to Management Committee

LHA intends to monitor the implementation of this policy by virtue of an annual report to Management Committee that encompasses:

- a) the number of claims received;
- b) the types of improvements conducted;
- c) the amount of compensation paid; and
- d) the number and outcome of any appeals made against alterations and improvements decisions, including claims for compensation.

## Section 8: Review of Policy

This Policy will be reviewed **every 3 years** to ensure that the appropriate amendments are made. All staff and relevant third parties will be informed. Continuously subjecting our Policy to review will ensure that its effectiveness is maintained, and that it meets legal and good practice requirements.

## Appendix 1: Qualifying Improvements



<b>Qualifying Improvements</b>	<b>Notional Life in Years</b>
1. Bathroom replacements/installations:	
i. Fixed bath or shower facilities	12
ii. Wash-hand basin	12
iii. Toilet facilities	12
iv. Storage cupboards in bathroom	10
2. Kitchen unit replacements/installations:	
i. Storage cupboards in kitchen	10
. Kitchen sink (including base unit)	10
i. Work surfaces for food preparation	10
3. Central heating replacements/installations:	
i. Provision of thermostatic radiator valves	7
ii. Space or water heating	12
4. Window replacement:	
i. Double and secondary glazing provision	2
ii. Draught proofing	8

5.	External door replacement	20
	i. Draught proofing of external doors	8
6.	Rewiring and the provision of power, lighting and other electrical improvements	15
7.	Energy efficiency	
	i. Loft insulation	20
	ii. Cavity wall insulation	20
	iii. Sound insulation	20
	iv. Insulation of pipework, hot and cold-water tank or cylinder	10
8.	Electrical	
	i. Smoke detectors including wiring and fixtures	20
	ii. Installation of mechanical ventilation in bathrooms and kitchens	7
9.	Security measures, excluding burglar alarm systems	10

<b>TITLE OF POLICY:</b>	<b>Alterations and Improvements Policy</b>
Strategic Outcome:	To grant permission for alterations and improvements and, where applicable, pay compensation in a way that is consistent, fair and transparent.
What is the purpose of the proposed Policy?	To outline what tenants qualify to make alterations or improvements to their property and in what circumstances this will entail compensation
Protected Characteristic Groups affected by the Policy	N/A
Who is the target audience of this policy or who is intended to benefit from the proposed policy and how? (ie. employees, service users, management committee etc.)	LHA tenants
List any existing documents, evidence, research which have been used to inform the EqIA (this must include relevant data used in this assessment)	N/A
Has any consultation involvement been undertaken with the Protected Characteristic Groups to inform this assessment? (please provide details of who and how consulted)	N/A
What is the actual likely impact?	N/A
How have you, or will you, put the Policy into practice, and who is or will be responsible for delivering it?	Asset Management Team
How does the Policy fit into our wider or related policy initiatives?	
Do you have a set budget for this work?	N/A