

COMPENSATION FOR TENANTS' IMPROVEMENTS

Name(s) of tenant(s)

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.....

Address of property concerned

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Notes:

- (a) You are not eligible for this compensation if you are exercising your Right to Buy or acquiring the property on Rent to Mortgage terms.
- (b) You are not eligible for this compensation if your improvement was started before 1 April 1994.
- (c) You must make your claim within 14 days of your tenancy ending.

Details of improvement(s) for which you are claiming compensation:

Improvement	Date Started*	Date Completed	Cost (£)**

*See note (b)

**You can include materials and employed labour but not the cost of your own labour or appliances installed, e.g. cooker. You should attach the relevant invoices, if available, otherwise you must provide an estimated breakdown of the costs.

Please detail any grant or minor works assistance under Part VIII of the Local Government and Housing Act 1989 or assistance from the Home Energy Efficiency Scheme that you have received for the improvement work

Have you applied for, or received, compensation for this improvement from the Council?

Date on which your tenancy ends

.....
Please sign here and put the date this form was sent to the Council.

NB - If you deliberately give false information, you may be prosecuted.

Address to which you would like payment sent

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Please return to : The Housing Division, Department of Community Services, Town Hall, Darlington DL1 5QT – Fax: 01325 388504

Claims Procedure and Calculation of Compensation

The proposed claims procedure should work as follows:

- In advance of making an improvement, a tenant should obtain written approval from the Council. The Council may attach reasonable conditions when giving consent. However, if a tenant fails to obtain permission at the time, the Council may grant retrospective consent when the claim for compensation is made.
- On receiving a claim the authority will need to check the following:-
 - i) that the claim has been made within 14 days of the end of the tenancy.
 - ii) that the claimant is a qualifying person (they are defined in the primary legislation, section 99B of the Housing Act 1985, as inserted by section 122 of the Leasehold Reform, Housing & Urban Development Act 1993).
 - iii) whether the tenant is exercising their Right to Buy or acquiring the property on Rent to Mortgage terms. (both are ineligible for compensation).
 - iv) that an order for possession has not been made in respect of the property on any of the grounds in favour of Schedule 2 of the Housing Act 1985.
 - v) that the improvement is eligible under the scheme ie on the list set out in the regulations governing the operation of the scheme.
 - vi) that the improvement was begun after 1 April 1994.
 - vii) whether any grants or minor works assistance under Part VIII of the Local Government and Housing Act 1989 or assistance from the Home Energy Efficiency Scheme has been given to the tenant in respect of the improvement and
 - viii) whether any compensation has been paid under the discretionary scheme (section 100 of the Housing Act 1985).
- To calculate the amount of compensation due the Council will need to know the cost of the improvement. The use of employed labour may be included but not an allowance for the tenant's own time and labour. The following steps are then taken.

Step 1	The amount of any grant or other financial assistance is deducted from the cost of the improvement.
Step 2	The age of the improvement is ascertained from the date the improvement was completed.
Step 3	The notional life of the improvement is found from the list of improvements in the schedule to the regulations.
Step 4	The compensation is calculated using the formula $C \times (1 - Y/N)$ where: C = the cost of the improvement. N = the notional life of the improvement. Y = the age of the improvement in whole year, rounded up
Step 5	The Council can reduce the amount of compensation, if they consider that the cost of the improvement was excessive or was of a higher quality than it would have been had they effected the improvement. The Council may also reduce or increase the amount of

	compensation depending on the deterioration of the improvement in relation to that implied by the notional life.
Step 6	Check if the compensation is below the minimum threshold of £50. If so, no compensation is payable. Check if the compensation is over the £3000 upper threshold - if so reduce compensation to maximum of £3000.
Step 7	The Council can then deduct any outstanding money owed to them such as rent arrears.
Step 8	Offer compensation to tenant.

- A tenant has the right to appeal to the county court against the offer of compensation. Before this appeal may be heard by a senior Council official or Members.