
STATUTORY INSTRUMENTS

1994 No. 613

**The Secure Tenants of Local Authorities
(Compensation for Improvements) Regulations 1994**

Amount of compensation

4.—(1) Subject to paragraphs (2) and (3), the amount of compensation payable for a qualifying improvement shall be—

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

where—

- C = the cost of the improvement, which shall exclude the amount of any grant or minor works assistance under Part VIII of the Local Government and Housing Act 1989⁽¹⁾ or the Home Energy Efficiency Grants Regulations 1992⁽²⁾ paid in respect of the improvement;
- N = the notional life of the improvement; and
- Y = the number of complete years, 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.

(2) The landlord may deduct from and (in the case of sub-paragraph (c) below) add to the amount of compensation calculated in accordance with paragraph (1) such sum as is reasonable to take into account any of the following matters which applies (notwithstanding, in the case of sub-paragraph (c), that otherwise compensation would not be payable)

- (a) the cost of the improvement was excessive;
- (b) the improvement is of a higher quality than it would have been had the landlord properly effected it;
- (c) the improvement has deteriorated at a lesser rate than provided for in the notional life for that improvement; and
- (d) the improvement has deteriorated at a greater rate than provided for in the notional life for that improvement.

(3) Compensation shall not be payable to the extent that—

- (a) the amount of compensation for a qualifying improvement would exceed £3,000; or
- (b) compensation has been paid in relation to the improvement under section 100.

(1) 1989 c. 42.

(2) S.I.1992/483, amended by S.I. 1993/2799.