
Compensation Policy

June 2021

Tenant Services

Last updated: June 2021

Next document review by: March 2024

Reviewed by: Kevin Topping Head of Housing Services

PART 1 POLICY BACKGROUND & COVERAGE

Introduction

- 1.1 We aim to provide a high-quality of service for our tenants; however, we acknowledge that sometimes mistakes are made. If tenants are dissatisfied with our service and wish to complain about our lack of action, or standard of our work, we will deal with their complaint quickly, fairly and appropriately. The details of our complaints procedure can be found in our SDC Corporate Complaints Policy.
- 1.2 We recognise that sometimes an honest apology is not enough and some tenants have a right to compensation when things go wrong. This policy aims to ensure that fair and consistent remedies are taken in these circumstances.
- 1.3 The policy covers two main sections Statutory Compensation and Discretionary Compensation.

These include the following areas:

STATUTORY COMPENSATION	DISCRETIONARY COMPENSATION
Home Loss payments	Repairs
Disturbance payments	Neighbour nuisance
Right to buy	Housing management
Home improvements	
Right to repairs	

- 1.4 This policy covers the following areas (as appropriate) in each section:

- Appropriate action
- Financial compensation
- The effect of the complainants own actions
- Money not paid to the complainant
- Quantifiable loss
- Loss of non-monetary benefit
- Distress
- Time and trouble
- Offsetting compensation

Key Principles of the Compensation Policy

- 2.1.1 The key principles of the Compensation policy are:

- To ensure a clear, fair and transparent approach to compensation for all tenants.
- To outline the degree of service failure that necessitates compensation.
- To make clear what actions tenant's needed to have taken to be eligible for compensation.
- To clarify the process managers should take when dealing with a complaint or compensation claim.

Relevant legislation and regulatory compliance

- 3.1 We will ensure that we compensate our tenants in accordance with best practice and relevant policy and legislation, including the following:

Land Compensation Act 1973 (as amended).

- The act entitles a qualifying legal tenant to a Home Loss payment where they are required by Stroud District Council to move permanently move out of their property because it is due to be demolished or reconstructed. A tenant or joint tenants sharing the payment are entitled to a lump sum, the payment amount is determined by the home loss payments (prescribed amounts)

regulations 2008, which are reviewed annually. The current maximum set in October 2020 is of a maximum of £6500.

Section 124 of the Housing Act 1988 and Sections 153A, 153B and 138C, Part V of the Housing Act 1985 (the Right to Buy).

- The act entitles tenants to compensation if there is an undue delay in completing the sale of their property within the required timescales, due to a failure by SDC.
- The act entitles tenants to financial compensation for outlaid expenses incurred in preparing to buy a property before a demolition notice is imposed.

The Secure Tenants of Local Housing Authorities (Right to Repair) Regulations – Statutory Instrument 1994 No. 133

The Secure Tenants of Local Housing Authorities (Compensation for Improvements) Regulations – Statutory Instrument 1994 No. 613

PART 2 AREAS OF RESPONSIBILITY

- 5.1.1 Compensation will be paid at the discretion of the appropriate manager in accordance with this policy. All compensation claims will be discussed and documented by managers to ensure the service learns from complaints. (All personal data will be anonymised).

Service Manager	Compensation Amount
Unit Manager	Up to £500
Head of Service	£500 - £3000
Strategic Director	£3000+

PART 3 TRAINING

- 6.1 We will ensure that all of our staff and contractors are aware of and have a good understanding of this policy and our corporate complaints process.
- 6.2 Training on the policy will be provided by The Tenancy Operations Manager, once the policy is adopted by Housing Committee. Subsequent training will take place every 3 years in accordance with the policy review or sooner if any flaws are identified through management of complaints.
- 6.3 All regular contractors are expected to fill out a pro-forma to confirm that they have received the training.

PART 4 ASSESSMENT CRITERIA

- 7.1.1 All claims for compensation will need to be assessed as part of the corporate complaints process.

<https://www.stroud.gov.uk/council-and-democracy/about-the-council/contact-us/compliments-and-complaints/corporate-complaints-policy-and-procedure>

Managers should assess each complaint against the guidelines stipulated within this policy and make an offer of compensation, if and when appropriate, to the complainant within their response letter. The tenant is then obliged to contact the manager to state whether or not they accept the compensation amount. If they accept the amount of compensation offered, they will

be required to sign a disclaimer stipulating that they consider the complaint closed and will not pursue further action. The [disclaimer template](#) is held by service managers.

7.1.2 All claims will need to be checked against outstanding arrears to SDC, this includes housing benefit, council tax and rent arrears. Payments will be off set against arrears and the remainder will be paid directly to the tenant.

7.1.3 If a tenant wishes to appeal the decision made regarding compensation they can approach the Head of Housing Services or Head of Contract Services as appropriate within 28 days of the receiving an offer.

PART 5 STATUTORY COMPENSATION

8.1 Home Loss

Home loss payments are made in recognition of the personal distress and inconvenience experienced by tenants who need to permanently leave their home through no fault of their own.

Financial compensation

A lump sum payment of up to £6,500 (as at October 2020) will be paid to the tenant. In the case of a joint tenancy, the payment will be split between both tenants. All payments may be authorised by either the property services project manager, Head of Housing Services, Head of Contract Services or Head of Property Services as appropriate.

To qualify for this payment:

- ∨ The move must be initiated by the Council and must be permanent.
- ∨ The move must be a consequence of demolition or reconstruction.
- ∨ The tenant must have been in legal occupation for at least one year prior to the date of moving out.

All claims will need to be checked against outstanding arrears to SDC, this includes housing benefit, council tax and rent arrears. Payments will be off set against arrears and the remainder will be paid directly to the tenant(s).

8.2 Disturbance payments

Disturbance payments are made to tenants who are required to move out of their property by the Council as a temporary measure to enable it to improve or redevelop the property. The payment should cover the costs associated with the move, in order that the tenant is not out of pocket.

Financial compensation

A lump sum payment may not reflect individual circumstances therefore we will seek to meet reasonable and appropriate expenses (Upon production of evidence of the expenditure), up to a maximum of £1000.00 including:

- ∨ Furniture removal.
- ∨ A packing service for vulnerable tenants.
- ∨ Lifting and refitting of carpets and curtains and replacement if damaged in move.
- ∨ Disconnection and reconnection of electricity, gas, telephone and fitted appliances.
- ∨ 3 months' postal re-direction.

8.3 Right to buy

Tenants who have made an application to buy their home are entitled to claim compensation if the sale has not completed within our statutory timescales, as a result of our inaction.

Tenant's will need to:

Issue a "Notice of Delay" to officers giving one month in which to resolve the delay.

A further "Operative Notice of Delay" must then be issued by the tenant if the delay is not resolved within a month.

Financial compensation

We will deduct the sum of the weekly rent amount x the delay period. For instance, if the rent is £78.60 a week and there has been an 8-week delay, we would take £78.60 x 8 = £628.80 off the final purchase price'.

Tenants who have exercised their Right to Buy, before we serve a demolition notice, are also entitled to claim financial compensation for any, reasonable and appropriate, outlaid expenses incurred in purchasing the property before the notice was served. Compensation would be paid on production of receipts.

8.4 Home Improvements

Many tenants take pride in their homes and make improvements to their property during their tenancy. Under the Local Authorities (Compensation for improvements) Regulations 1994 or Section 100 of The Housing Act 1985, these tenants may be able to claim compensation for the improvements made at the end of their tenancy, providing the improvement is considered a 'qualifying improvement' in accordance with our specified list.

Financial compensation

Qualifying tenants can claim financial compensation up to a maximum of £4000. Compensation will be paid on works based on the equation provided in the 1994 Compensation for Improvements Regulations.

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

C = Cost of improvement

N = Notional life of improvement

Y = Number of years since completion

Tenants will need to:

- Gain written permission for the improvements in advance from their Neighbourhood Management Officer.
- Obtain three quotes for works from contractors and have sent copies to Stroud District Council
- Request an expert site inspection before works start.
- Gain necessary statutory approval i.e. planning permission, building control for improvements.
- Provide evidence of cost of install.
- Provide evidence of notional life of improvement.
- Carry out works to an acceptable standard, and have them verified by a Repairs Inspector.
- Submit their claim to their Neighbourhood Management Officer within the period from 1 month before the tenancy ends to 14 days after the date the tenancy ends.

Provisos:

- Compensation will not be paid to tenants who have exercised their Right to Buy or where the tenancy ends as a result of a Court Order for possession.
- Any compensation will be paid at the end of the tenancy and will be offset against any sums owed to Stroud District Council.

- Interior decoration such as painting and wallpapering will not qualify for compensation
- Compensation will not be paid for sums under £50.

8.5 Right to Repair

Under the Right to Repair Scheme our tenants have the right to be compensated if certain small, urgent or emergency repairs, costing less than £250, are not carried out within specific time limits. These are defined as ‘qualifying’ repairs under regulations issued by Government.

Failure to repair within set timescales

The Right to Repair Scheme gives tenants the legal right to have certain, urgent, repairs completed within prescribed timescales. If these timeframes are not adhered to, a tenant may pursue a disrepair claim against us which could lead to compensation being paid if proven.

Financial compensation

The compensation is fixed by the legislation at an initial sum of £10, plus £2 for every day thereafter that the repair is not completed, up to a maximum of £50. A full list of qualifying repairs is set out within this procedure.

If you have any rent arrears, we will use the compensation to reduce the arrears rather than paying you the money.

Tenant’s own actions

Financial compensation would not be due if the complainant has done any of the following:

- Failed to inform the service about works required on the property.
- Where tenant lifestyle has resulted in the property getting into disrepair.
- The tenant has damaged the property.
- The tenant has delayed works being done to the property either by restricting access or postponing appointments.
- Entitlement to compensation is removed if exceptional circumstances occur which are beyond the control of the Council.

Qualifying repairs under the right to repair scheme

A qualifying repair will be considered a repair which does not cost in excess of £250 to carry out, but if not completed within a specified time is likely to endanger the health or safety of the tenant. The majority of these repairs would be electrical or plumbing work, although there will be instances where building repairs will be deemed as a qualifying repair.

Repair type	Response time (working days)
Total loss of electric power	1
Partial loss of electric power	3
Unsafe power or lighting socket or electrical fitting	1
Total loss of water supply	1

Partial loss of water supply	3
Total or partial loss of gas supply	1
Blocked flue to open fire or boiler	1
Heating or hot water not working between 31 October and 1 May	1
Heating or hot water not working between 1 May and 31 October	3
Blocked/leaking foul drain, soil stack or toilet	1
Toilet not flushing (if there is only one toilet in the property)	1
Blocked sink, bath or basin	3
Tap cannot be turned	3
Leak from a water pipe, tank or cistern	1
Leaking roof	7
Insecure external window, door or lock	1
Loose or detached banister or hand rail	3
Rotten timber flooring or stair tread	3
Door entry phone not working	7
Mechanical extractor fan not working	7

This list has been prepared for guidance and should not be considered exhaustive. PART 6

DISCRETIONARY COMPENSATION

9.1 Repairs

We know how important it is to tenant's that we help them to maintain their home and fix their repairs as quickly as possible. When considering paying discretionary compensation we will/consider:

- Each claim for compensation is on an individual basis, taking into account all relevant known circumstances and supporting evidence or documentation supplied. Where evidence is requested and is not supplied, claims may not be considered.
- Offset against arrears, service charges or other debts owed to the Council unless reimbursement is being made for loss and damage or costs reasonably incurred, where it will take the form of a financial payment to allow for the financial disadvantage of the individual to be corrected.

Appropriate action

That the following has been taken:

- Practical action to find a remedy to a complaint.
- Consideration of any practical action suggested by the complainant.
- A property inspection.
- Council arrears check – any compensation will be off set against outstanding council arrears and the remainder paid to the tenant.

Financial Compensation

Financial compensation may be appropriate for:

Loss of amenities or rooms

If we are unable to complete a responsive repair within the set response times, in operation at the time, the tenant may have to cope without the use of amenities and/or rooms. In such cases, compensation may be awarded and will be calculated on the amount of rooms which are unable to be used and the amount of rent payable.

For non-pecuniary losses, officers should follow the “*Gesture of Goodwill*” process set out within the document.

Service Failure

Tenants are encouraged to feedback incidents where they are unhappy with the service that they have received. In such cases offering a small amount of compensation may be appropriate to recognise any inconvenience caused.

Temporary heating

In some circumstances it may not be possible to carry out a repair to heating systems during the first visit due to the availability of spare parts, or the system is beyond economical repair. In such circumstances we will provide tenants with temporary heaters. Tenants will be compensated for the daily use of each heater provided, at the rate set out within the table below. The rate will be reviewed annually in line with the average UK rate as 1st January each year.

Based on 6 hours per day at maximum output using the **Average** rate of **17.90p/kWh** (January 2021 tariff) for a unit of electricity. Heaters with a thermostat will automatically turn off when required room temperature is reached.

Power Rating	Per Hour	Per Day	Per
2000W (2kW)	36.00 2000W	£2.16 12kWh	£15.1 84kW h

Missed Appointments

Tenants can claim compensation for financial loss if a pre-arranged appointment that has been confirmed in writing is broken by a member of staff or one of our contractors. On such occasions we will pay compensation, except in exceptional circumstances which are beyond the control of the Council, its officers, or appointed contractors.

Tenants must be able to provide evidence of the financial loss suffered.

For non-pecuniary losses, officers should follow the “*Gesture of Goodwill*” process set out within the document.

Tenants will not be eligible for compensation if the tenant was advised that the appointment would not be kept 24hours before the appointment and an alternative appointment was arranged within 7 working days.

Damage to property

Tenants can claim compensation for accidental damage to their property caused by our contractors or staff.

We may, at our discretion, issue compensation to tenants as a result of decorations, furniture or personal items being damaged due to neglect by a member of staff or a contractor acting on our behalf, where it can be reasonably proven. Where possible, compensation will be issued in the form of a voucher, taking into account the value of the goods at the time of the loss and/or damage rather than the full replacement value.

In the case of damp and mould an independent assessment will be made of the property to assess if Stroud District Council is responsible for excessive damp and mould in a property. If a tenant's possessions have been damaged by damp and mould, the tenant should claim on their contents insurance. In extreme cases, if the tenant does not have contents insurance and Stroud District Council has been found negligent in the up-keep of the property, we will pay compensation to replace furniture on a like for like basis. **We will not provide replacement on a new for old basis.**

Distress, Time and Trouble

We may decide that through our actions or inaction, we have caused a tenant to experience stress, upset or inconvenience and as such may look to compensate them for this. We do not compensate for loss of earnings, but may consider for example that if a customer had to take time off work, that this was an inconvenience.

If a good will gesture is offered managers should aim to tailor it to the individual and base each offer on the particular circumstances of the case.

Gesture of Goodwill

We reserve the right to choose, sometimes even without acceptance of fault, to offer a gesture of goodwill. This can take the form of a physical, token or financial gesture. Such gestures of goodwill will be considered on a case by case basis, but should not normally constitute more than a value of £25.

Tenant's own actions

We will not pay compensation if any of the following applies:

- A tenant has failed to inform the service about works required on the property.
- Where tenant lifestyle has resulted in the property getting into disrepair.
- The tenant has damaged the property.
- Loss that is due to negligence by the tenant, that is deemed to be the fault of a third party, or is beyond our control.
- The tenant has delayed works being done to the property either by restricting access or postponing appointment.
- The tenant has not been heating their home adequately.
- The tenant has been drying clothes in the home near or on a radiator.
- The tenant's tumble dryer is not externally vented.
- The tenant has been using bottled gas or paraffin heaters.
- Insurance claims relating to financial loss, damage to third party property or personal injury, as a result of our negligence, which will be dealt with in accordance with the insurance procedures.
- The tenant could have afforded but has neglected to purchase contents insurance.
- The tenant has contributed to the damp and mould in their property in any way.
- Cases where there is tribunal or legal proceedings under way.
- Evidence is not provided where required to justify any claims for out of pocket expenses.

9.2 Neighbour Nuisance

We want our tenants to feel safe in their homes and therefore take an uncompromising stance towards anti-social behaviour. When considering paying discretionary compensation we will consider:

Appropriate Action

That the following action has been taken:

- Practical action to find a remedy to the complaint in accordance with our Anti-social behaviour policy.
- Consideration of any practical and reasonable action suggested by the complainant.
- Council arrears check – any compensation will be off-set against outstanding council debts and the remainder will be paid to the tenant.

Financial compensation

Financial compensation may be appropriate for:

Financial loss

In extreme circumstances, where our tenant has been driven from their home to stay with family and friends and we have delayed in taking action against the neighbour nuisance, they are entitled to claim any additional living expenses incurred in escaping the nuisance on production of receipts.

Reasonable expenses will be paid after we have sought a view from the police that our tenant was 'at risk' in their home and will include:

- Furniture removal.
- A packing service for vulnerable tenants.
- Lifting and refitting of carpets and curtains and replacement if damaged in move.
- Disconnection and reconnection of electricity, gas, telephone and fitted appliances.
- One month's postal re-direction
- A contribution to the monthly rent only where it is in excess of the current rent.

Distress

Tenants who are effected by anti-social behaviour are likely to have suffered some form of distress to a greater or lesser degree. If we have failed to follow our policies and procedures correctly and delayed in responding to neighbour nuisance it is appropriate to pay compensation in recognition of this. A discretionary, one-off payment should be made after taking the following into account:

- The length of time the nuisance persisted after the council was notified before we took effective action.
- The severity of the neighbour nuisance.
- How often the anti-social behaviour happened.
- The number of people affected in the property.
- The vulnerability of the complainant or anybody else affected.
- The extent of our maladministration.

Compensation can be paid up to £2000 per year depending on the severity of the case.

Time and Trouble

We expect our tenants to co-operate with us in taking effective action against the perpetrator. This may involve filling out diaries and monitoring their neighbour's behaviour, this would not constitute financial compensation. However, some tenants may have to go to extensive time and trouble to persuade us to recognise their complaint and take action. In this instance it is appropriate to pay compensation in recognition of our inaction. A guide to a discretionary payment is:

- 10% of their monthly rent for the duration of the inaction.

Tenants own actions

Financial compensation would not be due if the complainant had done any of the following:

- Failed to provide us with any information requested, including monitoring diaries.
- Caused an unreasonable delay in any part of the process.
- Been abusive or threatening to our staff.
- Had not tried to resolve the issue themselves.

9.3 Housing Management

We want our tenants to be able to be happy in their homes for as long as possible, sometimes this might mean they require an adaptation to their property or even need to transfer to a more suitable property for their needs. When considering paying discretionary compensation we will consider:

That the following action has been taken:

- Practical action to find a remedy to the complaint has been taken in accordance with Tenant Services' policies.
- Consideration of any practical action suggested by the complainant.

Financial compensation

Financial compensation may be appropriate for:

Non-payment of grant

If our tenant has been denied a decoration grant or moving home grant that they were entitled to, it would be appropriate to pay the equivalent amount in compensation.

Financial loss

If our tenant has incurred additional living expenses as a result of an adaption not being installed, it would be appropriate to reimburse any additional expenses on production of receipts.

Distress

Tenants who have been wrongly denied an adaptation or a transfer are likely to have suffered some form of distress to a greater or lesser degree. If we have not correctly followed our policies, it is right to pay compensation in recognition of this. A one off discretionary payment should be made after taking the following into account:

- The tenant has been limited or unable to use the part of their property that required adapting.
- The tenant's physical health has been affected.
- The length of time that the adaption should have been made.
- The number of people affected by the delay in installing the adaptation.
- The tenant's safety has been put at risk.

Payments up to £1000 a year should be considered by manager's depending on the severity of the case.

Time and trouble

Our tenant may have had to go to extensive time and trouble to persuade us to revise our decision or recognise their complaint. In this instance it is appropriate to pay compensation in recognition of our inaction. If we have failed to follow our processes within the permitted timescales, tenants would be entitled to a payment equivalent to:

- 10% of their monthly rent for the duration of inaction.

Tenant's own actions

Financial compensation would not be if the complainant had done any of the following:

- Failed to provide us with any information requested.
- Caused an unreasonable delay in any part of the process.
- Been abusive or threatening to our staff.
- Rejected a transfer offer which we consider reasonable.

Information

10.3 We will, in all reasonable circumstances, make information available in a variety of information formats, including:

- Large print.
- Audio tape.

PART 7 PERFORMANCE MONITORING

11.1 We will monitor our performance in acting and learning from complaints and amounts payable in compensation will feed into this.

Performance Monitoring

11.2 To help achieve our aims of ensuring continuous improvement in the services we provide and to ensure that we meet all statutory obligations, we will put in place systems and processes which allow us to monitor and evaluate performance.

11.3 We will continually review our services by measurement against the performance of other social housing providers and research of their processes and procedures, with the aim of achieving continuous improvement and to ensure compliance with best practice.

PART 8 REVIEW OF THE COMPENSATION POLICY

12.1 This policy will be reviewed by the Council every three years unless there is a change in legislation or regulation. Statutory amounts that are subject to annual uplift will be automatically added without the need for the entire policy to be reviewed.

12.2 Where there has been a change in legislation which has an impact on the policy, the policy will be reviewed within 3 months of the legislation or regulation coming into effect.