
Compensation Policy

August 2017

Tenant Services

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Reviewed by: *Kevin Topping*

Approved by: *Housing Committee*

Introduction

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 within the framework of our complaints policy. The details of our complaints procedure can be found in our SDC Corporate Complaints Policy.

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	

Key Principles of the Compensation Policy

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

We will ensure that we compensate our tenants in accordance with relevant legislation which includes the following:

- Land Compensation Act 1973 (as amended)
- 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 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

Compensation will be paid at the discretion of the appropriate unit or operations manager in accordance with this policy.

Service Manager	Compensation Amount
Unit Manager	Up to £500
Asset/Tenancy Operations Manager or Head of Service	£500 - 2000
Head of Service or Strategic Head	£2000+

Equality Implications

We are committed to giving an equal service to all. Any action taken under this policy will comply with current equalities legislation. We will, in all reasonable circumstances make information available in a variety of information formats, including:

- large print
- Audio format
- Preferred language

Performance Monitoring

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

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

This policy will be reviewed by the Council every 12 months unless there is a change in legislation or regulation in which case the policy will be reviewed within 3 months of the legislation or regulation coming into effect.

TENANT SERVICES COMPENSATION PROCEDURE

Assessment Criteria

All claims for compensation will need to be assessed as part of the corporate complaints process. Managers should assess each complaint against the guidelines stipulated within this policy and make an offer of compensation, if appropriate, the tenant is then obliged to contact the manager to state that they accept the compensation amount.

If the tenant(s) 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 operational managers and will be centrally stored in an electronic secure file.

All claims will need to be checked against outstanding debts to SDC, this includes but not exclusive to housing benefit, council tax, sundry debts, recharges and rent arrears. Payments will be off set against any debts owed to the authority and the remainder (if any) will be paid directly to the tenant.

If a tenant wishes to appeal the decision made regarding compensation they can do so in writing to the Tenancy or Asset Operations Manager or Head of Service within 28 days of receiving an offer.

Statutory Compensation

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, for example via a decant.

A lump sum payment of up to £5,300 will be paid to the tenant. In the case of a joint tenancy, the payment will be split between both tenants if requested. All payments will be authorised by the appropriate Head of Service. Details may be found in the decant policy.

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. In terms of major works of new developments and sheltered housing this can be found in the Decant Policy.

A lump sum payment may not reflect individual circumstances therefore we will seek to meet reasonable and appropriate expenses, up to a maximum of £500.00 including:

- Furniture removal
- A packing service for vulnerable tenants or tenants who have mobility restrictions
- Lifting and refitting of carpets and curtains and replacement if damaged in move

- Disconnection and reconnection of electricity, gas, telephone and fitted appliances.
- 1 months postal re-direction

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.

Qualifying tenants can claim financial compensation up a maximum of £3000. 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 be required to:

- Gain written permission for the improvements in advance from their tenancy management officer and maintenance and repairs officer
- Obtain three quotes for works from contractors and have sent copies to Stroud District Council which must have been acknowledged
- Have an expert site inspection before works start
- Gain necessary statutory approval i.e. planning permission, building control for improvements
- Provide evidence of the cost of install and evidence of notional life of improvement
- Carry out works to an acceptable standard, and have them verified by a Maintenance and Voids Officer
- Submit their claim to their Tenancy Management Officer within 1 month prior to or at the end of the tenancy
- 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
- 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

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.

Qualifying repairs include:

- Unsafe power or lighting sockets or electrical fittings
- Blocked flue to open fire or boiler
- Leaking roof
- Toilets which don't flush
- Blocked sink, bath or basin
- Leaking from a water or heating pipe, tank or cistern

Failure to repair within set timescales

If we fail to fix a repair within a given timescale, tenants (or their advocate if appropriate) may contact us and we will arrange for a second contractor to carry out the works if appropriate. The second contractor has the same amount of time to fix the repair as the original contractor and we will send a copy of the works notice to our tenant.

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

Discretionary Compensation

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 that the following been taken:

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

Financial compensation may be appropriate for:

- Missed Appointments
- Temporary heating as a result of lost services
- No heating or hot water
- Loss of use of a habitable room of the property

Tenants can make a claim for compensation for financial loss if a pre-arranged appointment that has been confirmed in writing, is broken by one of our contractors. Tenants must be able to provide evidence of the financial loss, for instance an employer's declaration.

Tenants will not be eligible for compensation if the tenant was advised that the appointment would not be kept 24 hours 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. We will liaise with our contractors for you and request that they compensate you directly for amounts up to £500. Claims over £500 will need to be assessed by an independent insurance assessor.

If our contractors damage or break your possessions we will seek to replace the item like for like, if a replacement item cannot be found our contractors will cover the cost of a decoration grant to a maximum of £50.

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 be advised to claim on their contents insurance. In extreme cases, if the tenant does not have contents insurance and Stroud has been found negligent in the up-keep of the property, we will pay compensation to replace furniture at 2nd hand value rates. Compensation will not be paid in cases where tenant lifestyle is the cause of damp and mould

Distress

Local Government Ombudsman advice covers accounting for distress amongst its recommendations for remedies to complaints. If tenants have suffered distress, frustration or anxiety regarding a repair over a considerable period of time it is appropriate to pay compensation in recognition of this.

Each individual case should be assessed based on the length of time works were not carried out, the severity of works required and the vulnerability of the tenant.

A guide to appropriate good will gestures is:

- 1 year minor works up to £500
- 1 year major works up to £1000
- 1 year where the property was left unfit up to £2000

If a good will gesture (without prejudice) is offered, managers should aim to tailor it to the individual and base each offer on the particular circumstances of the case. This will be documented and retained for a period of not less than 3 years.

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
- 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
- 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
- The tenant has allowed other visitors to damage the property

Neighbor Nuisance

We want our tenants to feel safe in their homes and therefore take an uncompromising stance towards anti-social behavior. When considering paying discretionary compensation we will consider that the following action has been taken:

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

Financial compensation may be appropriate 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 neighbor nuisance, they are entitled to claim any additional living expenses incurred in escaping the nuisance on production of receipts. This is caveated on the basis that there is strong supported evidence that there is a clear case of neighbor unreasonable nuisance

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

Distress

Tenant's who are affected by anti-social behavior 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 responding to neighbor nuisance (where evidence is available) it is appropriate to pay compensation in recognition of this. A discretionary, one-off payment may 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 neighbor nuisance
- How often the anti-social behavior happened
- The number of people affected in the property
- The vulnerability of the complainant or anybody else affected
- The extent of our maladministration

Compensation may be paid up to £2000 per year depending on the severity of the case if we have not acted reasonably.

We expect our tenants to co-operate with us in taking effective action against the perpetrator. This may involve (but not limited to) filling out diaries and monitoring their neighbor's behavior, (we would also expect some efforts being made by the tenant to redress the issue directly without the involvement of the landlord)

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

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.

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

Distress

Tenant's 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 may 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 by the delay in installing the adaptation
- The tenant's safety has been put at risk

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

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 appropriate if the complainant had done any of the following:

- Failed to provide us with any information requested in a timely manner
- 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