
Compensation Policy

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Housing Services

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Document Review and Approvals		
Name	Action	Date
Housing Committee	Approved	9 September 2025

1 INTRODUCTION

1.1 Purpose

- To provide a consistent approach to remedying service failure and awarding compensation which is reasonable and fair.
- To ensure remedies made seek to put the resident back in the position they would be in had the fault not occurred, as far as reasonably possible.
- To make the process of assessing compensation as simple as possible, to minimise resident effort and ensure that claims are assessed and paid quickly and efficiently.
- To enable practical solutions to be explored to address complaints on a case-by-case basis, including resolving any issues that remain outstanding.
- To ensure payments are made within clear guidelines and are proportionate to the loss/inconvenience caused.
- To ensure compensation paid helps inform our learning and makes our services better.

1.2 Scope

- (a) The policy is restricted to the Council's tenants and leaseholders (residents). People who are not council tenants or leaseholders are outside of the scope of this policy. If they wish to make a claim against the Council they should contact the Council's Insurance Team.
- (b) The policy covers situations where the Council will consider refunds, compensation, or reimbursement of costs for its tenants and leaseholders following service failure.
- (c) Compensation payments are generally made from the Housing Revenue Account. If a compensation payment results from the failure of a third party such as a contractor working for the Council, we will pursue the third party and ask them to pay compensation for their failure. Dependent upon individual contractual arrangements, this could take the form of the contractor making payment to the complainant directly or instead the Council making payment on their behalf and seeking to recover its costs via the contract.
- (d) Residents can choose a person to act as their representative. Compensation payments, reimbursements and remedies are made direct to the resident, even if the resident has an advocate recognised by us as acting on their behalf.
- (e) New claims for compensation and/or reimbursement will only be considered within 12 months of the incident or in line with statutory requirements.
- (f) This policy covers statutory compensation payments which are set out in law and include home loss payments and disturbance payments. It also covers ex gratia payments where the Council uses its discretion to remedy a situation or failure.

- (g) Payments will not be made for losses which are the responsibility of the resident as set out in the tenancy agreement/lease agreement. Tenants and leaseholders are responsible for arranging their own contents insurance for accidental damage to their belongings. The Council does not indemnify residents for damage to personal belongings and cannot offer to compensate residents for such loss.
- (h) The Council will not compensate for matters relating to services or repairs in communal areas, except where the issue is covered elsewhere in this policy e.g. lift breakdown, or breakdown of a communal boiler.
- (i) Claims on the Council's insurance policies are outside of the scope of this policy.
- **Leaseholders wishing to make a claim resulting from damage to the building** should refer to the Council's buildings insurance policy which is paid for as part of the service charge. The buildings insurance policy covers unexpected events such as a storm, flood, fire etc. For further information on leaseholder buildings insurance residents should refer to the Leasehold Management Policy.
 - **Personal injury claims** are outside of the scope of this policy and should be made to the Council's Insurance Team as a public liability insurance claim. For more information on how to submit a claim residents should seek independent legal advice
 - **Claims for breach or suspected breach of GDPR** (data protection law) fall outside of the scope of this policy. Complaints about data protection can be made on the Council's online complaint form and claims can be made through the Council's Complaints and Feedback Policy.
- (j) Where a debt is owed to the Council (e.g., arrears or service charges), compensation payments will be offset to pay the debt. Any credit remaining can be refunded to the resident. This does not affect reimbursement payments for costs incurred by the resident, or payments awarded by the Housing Ombudsman service.
- (k) Any payment or other form of compensation offered under this policy is not an admission of liability by the Council.

1.3 Terms and definitions

In this Policy the following terms and meanings apply:

Buildings Insurance	provides cover should damage be caused to a building for example by a fire, flood or storm. This insurance covers the cost to rebuild, repair or replace things like the roof, walls, windows, doors or fitted bathrooms and kitchens.
Compensation Payments	are awarded where it is recognised by the Council that there has been a service failure which has caused inconvenience/loss to the resident.
Gesture of Goodwill	is an act or offer made to demonstrate goodwill, often in response to a complaint or issue
Public liability insurance claim	is where a claimant wishes to make a liability claim for negligence/ breach of duty which is determined by an

	insurer or court and may result in financial compensation for damaged property, belongings, damage to health, loss of income etc.
Refund	is a payment made to a resident when a service has not been delivered that was paid for as part of the rent or service charges.
Reimbursement	is payment by the Council of an additional expense incurred because of a service failure or incident, for example travel, cleaning, use of additional electricity if needing to use a dehumidifier or electric heater.
Residents	for the purpose of this policy are SDC tenants and leaseholders only.
Vulnerable	residents are those who have a particular characteristic and/or experience an exceptional life event and are currently unable to act independently and/or are unable to cope with managing their tenancy/lease without additional support/reasonable adjustments. This includes physical disabilities, mental health issues as well as transitory situations.

2 KEY COMMITMENTS AND PRINCIPLES

- (a) A resident should not be disadvantaged by certain actions taken by the Council and where reasonably possible, should be restored to the position they were in before the event occurred. The event could be a deliberate action (such as rehousing under a regeneration scheme), or a service failure (such as repeated missed appointment without reason).
- (b) We will seek the views of residents about the remedies they are seeking following a service failure and act reasonably to compensate them, taking their individual circumstances into account. We will set out any offer clearly, including what will happen and by when, in agreement with the resident where appropriate. Any remedy proposed will be followed through to completion.
- (c) Consideration will be given to what action could be taken to minimise any negative impact on residents for example reimbursement of reasonable costs incurred, provision of vouchers for decorations, and whether money is the most appropriate remedy or some other gesture of goodwill. An apology, explanation, review of policy and procedures, training for staff or another remedial action may also be sufficient.
- (d) The remedy offered will reflect the extent of the service failure and the detrimental impact caused as a result. Factors to consider when assessing the service failure and how this has impacted the resident will include individual's circumstances including any vulnerability, the length of time that the complaint covers and the severity of the service failure.
- (e) In most situations where compensation is used, we may offer a small goodwill gesture payment. We will consider higher payments only where residents have provided clear evidence of the impact, to ensure we are being responsible with compensation payments.

- (f) At the discretion of the relevant head of service payments may be made in advance to avoid creating hardship.

2.1 When Compensation may be considered

- When repairs have not been completed on time.
- When essential services set out in the tenancy or lease agreement have not been provided.
- When an appointment has not been kept and we have not informed the resident in advance.
- When any room in the home cannot be used because of lack of repair.
- Where we have not followed our policies or procedures.
- Where complaint handling has been poor.
- Where it has taken an unreasonable time to resolve a situation.
- Where there has been failure to meet target response times and we have not kept the resident updated.
- Where there has been failure to provide a service that has been charged for.
- Where there has been a temporary loss of amenity.

2.2 When Compensation may not be considered

- Delays to repairs where the resident seeking compensation has failed to provide access on two or more attempts by the Council to address the fault/issue.
- Delays to repairs due to the need to obtain spare parts that we would not expect a contractor to have in stock and where residents have been kept informed of the timescales involved.
- Extra work is required, and we /our contractor has kept residents informed of the timescales involved.
- Where the fault is caused by a third party or is something that the Council is not responsible for, and we can demonstrate that we have taken all reasonable action to resolve the matter e.g. leaks from a leaseholder's plumbing into the flat below.
- Claims for loss of earnings to provide access for repairs or other services.
- Claims from leaseholders for loss of rental income (please refer to the Council's buildings insurance policy).
- Claims from sub-tenants of leaseholders. Any claim must be made by the leaseholder and compensation is paid to the leaseholder.
- Circumstances beyond our control e.g. storm damage or flooding from extreme weather.
- Delayed repairs to the communal areas of a building, except where the resident can demonstrate an impact on them. E.g. lift breakdown where there is no access to an alternative lift and a resident has restricted mobility.
- Claims for personal injury and damage caused to a resident's possessions due to negligence on behalf of the Council or its contractors. These should be submitted as public liability claims.

2.3 Types of compensation Payments

(a) There are two types of compensation payment:

- Statutory Compensation: a payment that the Council is legally obliged to make and has no discretion over the amount awarded.
- Discretionary (Ex gratia) payments: the Council has no legal obligation to make this type of payment but has chosen to do so to compensate residents for the loss or injustice they have experienced.

2.4 Assessing the Impact of Service Failure and Vulnerability

- (a) The Housing Service assesses vulnerability on a case-by-case basis, considering all a resident's needs and their circumstances.
- (b) When assessing compensation payments, the Council will consider what impact a service failure has had on a resident and their household, considering any relevant vulnerabilities. This includes whether a vulnerability has made it harder for the household member to cope compared to others. It is therefore important that residents are asked for this information as part of their complaint.
- (c) Examples of vulnerability where a resident may have been significantly impacted and where additional compensation may be awarded because of the impact caused may include:
 - Poor management of anti-social behaviour where a complainant has a mental health condition may make the situation harder to cope with.
 - Residents with young children who experience an extended period in temporary accommodation because of repair delays, causing significant inconvenience and upset.
 - Delayed repair response/completion may have a disproportionate impact on a resident because it impacts a health condition/disability.
- (d) We will offer higher level payments when the impact has been more significant. We classify these as low, medium, high, severe impact and we determine the compensation amount based on these levels. The impact levels are aligned to those set out in the Housing Ombudsman's guidance on complaint remedies to compensate for instances of service failure, loss, or inconvenience. When determining a compensation award, an assessment may identify more than one finding. The bands of low, medium, high, and severe impact reflect the financial compensation award for each finding rather than the total amount for the case.

2.5 Claiming Compensation and Making a Complaint

- (a) Residents should follow our complaints procedure when wishing to seek a remedy such as compensation because of a service failure. Residents should provide the details of what went wrong and what the impact was on them. Each case will be considered on its own merits to ensure the most appropriate remedy is offered. For further details of the Council's Complaints and Feedback policy and process follow this link: <https://www.stroud.gov.uk/contact-us/complaints-and-feedback/>

2.6 Appealing a Compensation Award

- (a) If a resident is dissatisfied with the outcome of a complaint and compensation award, they can appeal by escalating their complaint to the next stage of the complaints process.
- (b) In some cases, the next stage maybe for the resident to escalate the matter to the Housing Ombudsman. The Housing Ombudsman can order the Council to pay compensation if following their investigation, they find evidence of a service failure which has not been put right by the Council. For more information on The Housing Ombudsman residents can visit: www.housing-ombudsman.org.uk

2.7 Timescales

- (a) Where payment has been agreed, the Council will aim to deal with requests for refunds and compensation within 28 working days unless there are particular circumstances requiring further investigation.

2.8 Authorisation levels

- (a) Regardless of the format of compensation, the monetary value will be taken into account and any compensation will then be authorised in accordance with these thresholds:

Compensation Level	Authorising Authority
Less than or equal to £250	Unit Manager or above
£251 - £999	Head of Service or above
Equal to or more than £1000	Relevant Strategic Director

3 STATUTORY AND MANDATORY COMPENSATION

- (a) These are payments which the Council is legally obliged to make and where the Council has no discretion over the amounts awarded. They include payments such as disturbance payments, home loss payments and improvement payments.
- (b) **Disturbance Payments** are statutory payments under the Housing Act 1985 (Part II, Section 26) the Council has discretion to give financial assistance towards tenants' removal expenses.
- (c) **Home Loss payment** is a statutory payment made to tenants or owner-occupiers who have lived in their property for a minimum of 12 months and are required to move home permanently because of redevelopment or demolition of their home. Payment is only payable where a displacement (move) is compulsory.
- (d) **Right to Improvement** payment is for Secure Council tenants who are approaching the end of their tenancy for previously approved 'qualifying improvements' they have made to the home. The compensation is only paid for specific types of improvements and can only be claimed at the end of the tenancy. Introductory and Non-secure tenants do not have a statutory right to make improvements or receive compensation for improvements made.
- (e) **Right to Repair** is a statutory compensation scheme which enables residents to have repairs listed in the legislation which cost no more than £250 completed quickly. The repairs included in the scheme are likely to affect the health, safety, or wellbeing of residents in addition to ensuring repairs are completed quickly, the scheme sets out compensation for delays where qualifying repairs have not been carried out within the prescribed timescale. See the Council's Repairs and Maintenance policy for details.
- (f) The legislation which permits these payments are as below:
- Land Compensation Act 1973
 - Housing Act 1985
 - Home Loss Payments (Prescribed Amounts) (England) Regulations 2023
 - Secure Tenants of Local Housing Authorities (Right to Repair) Regulations 1994

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

4 DISCRETIONARY (EX GRATIA) COMPENSATION

- (a) The Council has discretion to offer remedies for service failures. These are wide ranging and seek to put the resident back in the position they would be in had the fault not occurred. For consistency, discretionary payments are made in accordance with the Council's Complaints and Feedback policy. We offer standard amounts for frequently occurring minor service failures which may not have had a significant impact on a resident such as a missed appointment.
- (b) Examples of frequent ex gratia payments are set out in the remedy summary table at section 4.7.
- (c) This part of the policy sets out the types of ex-gratia payments that the Council can make.

4.1 Rent Refund

- (a) The Council may refund some or all of the rent where a tenant can demonstrate loss of a room, amenity or service which is the responsibility of the Council, and the target deadline has passed. This does not apply to those in receipt of Housing Benefit or Universal Credit.

4.2 Heating Charge Refunds

- (a) Tenants can apply for a refund of heating charges when a communal heating system fails during the heating season when the system is turned on and is unavailable for more than three consecutive days.
- (b) Refunds are based on the gross weekly charge.
- (c) Refunds apply to tenants only as leaseholders will receive a lower service charge to reflect loss of heating during the outage.

4.3 Electricity Cost Reimbursements

- (a) Reimbursements will be made to cover increased electrical costs following a serviced installation failure or breakdown. Those costs could be incurred by:
 - using alternative heating methods such as fan heaters or portable oil radiators
 - generating hot water by boiling kettles while the Council's heating or hot water supply is unavailable
 - using a dehumidifier to dry out a home following a water leak
- (b) Residents may apply for reimbursement of additional costs when an electrical appliance has to be used for more than three consecutive days.
- (c) For communal heating systems the appliance has to be used during the heating season when the heating should be on.

- (d) Reimbursement of tenants for loss of hot water does not apply if there is a working immersion heater available.
- (e) Reimbursement will be based on a flat rate as set out in the Remedy Summary Table at section 4.7.

4.4 Other Reimbursements

- (a) These are payments the Council may make where a tenant or leaseholder can demonstrate actual, quantifiable loss. In these circumstances, costs must have been reasonably incurred.
- (b) An example of a reimbursement requiring evidence could be the cost of visiting a launderette when plumbing to the kitchen is blocked.
- (c) In the event of a resident making a claim for negligence/breach of duty that claim will fall outside the scope of this policy and will be redirected to the Council's insurance team and public liability insurance.

4.5 Damage to Decorations or Fixtures

- (a) Where decorations or fixtures are damaged because of repairs or improvements by the Council, the resident will be offered the choice to allow the Council to carry out the work to make good or decoration vouchers to carry out the work themselves.

4.6 Miscellaneous Ex Gratia Payments

- (a) Unit managers and above have the discretion to offer practical solutions to address complaints as far as reasonably possible in line with the Complaints and Feedback Policy. This includes anything not specifically covered elsewhere in this policy.

4.7 Remedy Summary Table

Category	Level of Compensation
Missed appointments where we or our contractor fail to attend an agreed appointment, in accordance with our Repairs and Maintenance Policy timescales, or cancel an appointment giving less than 24 hours' notice. Where a resident can demonstrate loss of earnings, we will at our discretion compensate up to the limit for loss of earnings using the established jury duty rate. The resident will need to demonstrate that they cannot work from home, no other household member could reasonably have provided access, and it was necessary to book a full day off work for the day of the appointment.	£20 per appointment
Failure to deliver a service to published service standards causing minimal impact.	Up to £20
Failure to complete repairs within target timescales.	£10 + £2 per day up to a maximum of £25
Reimbursement of heating and hot water charges following a service breakdown of more than 3 days	For Communal/District heating: Reimbursement of the weekly

(tenants only).	<p>heating and hot water charge for the period the service is down (during the heating season only)</p> <p>For Communal/District heating:</p> <ul style="list-style-type: none">- Reimbursement of the weekly heating and hot water charge for the period the service is down (during the heating season only) <p>For personal heating:</p> <ul style="list-style-type: none">- This is based on 2Kwh x UK average electrical rate. Based on 6 hours per day at maximum output using the Average rate of 25.73p/kWh (July 2025 tariff) for a unit of electricity. Heaters with a thermostat will automatically turn off when required room temperature is reached. <table><tr><th>Power Rating</th><th>Per Hour</th><th>Per Day</th><th>Per Week</th></tr><tr><td>2000W (2kW)</td><td>51.46p</td><td>£3.09</td><td>£21.63</td></tr><tr><td></td><td>2000W</td><td>12kWh</td><td>84kWh</td></tr></table>	Power Rating	Per Hour	Per Day	Per Week	2000W (2kW)	51.46p	£3.09	£21.63		2000W	12kWh	84kWh
Power Rating	Per Hour	Per Day	Per Week										
2000W (2kW)	51.46p	£3.09	£21.63										
	2000W	12kWh	84kWh										
Reimbursement of increased electricity costs due to use of a temporary heater usage.	£3.09 per day												
Reimbursement of increased electricity costs due to the need to boil water due to breakdown of a boiler over and above agreed timescales in accordance with the Repairs and Maintenance Policy.	£2 per household member per day												
Reimbursement of increased electricity costs due to use of a dehumidifier.	£2.50 per unit per day												
Reimbursement of costs following loss of cooking facilities – where alternative accommodation is not offered the Council will offer reimbursement of costs of purchasing prepared food at standard rates per household member.	Up to £12.00 per adult per day Up to £10 per child (under 16) per day												
Loss of electricity and/or lighting affecting one or more rooms as a direct result of SDC provided fittings.	£5 per day after 2 days of the repair being reported for loss of lighting/electricity to the whole property. £10 per week paid after the first full week from the date reported to the Council where there is partial loss of lighting/electricity												

Lift failure Where a lift is unavailable for more than 7 consecutive days and residents do not have access to another lift in the block.	<p>£1 per day for each day after the first 7 consecutive calendar days failure (inclusive of the initial 7 days e.g. eight consecutive days of failure would result in a payment of £8.</p> <p>A higher rate of £2 per day will be considered for those deemed vulnerable due to mobility issues.</p> <p>In addition, if there has been detrimental impact to a resident who is unable to use the stairs, the Council will assess the impact of the failure on the resident and offer appropriate remedies.</p>
Minimal impact complaints Where a resident has just cause to complain and has suffered minimal inconvenience the Council may make an offer of compensation as a gesture of goodwill in recognition of the failure to perform.	Up to £20
Poor communication that results in inconvenience	Up to £20
Complaints Handling e.g. response outside of the Ombudsman timescales where the resident has not been kept updated, failing to address all points of concern at complaint stage resulting in the need to submit a further complaint.	Up to £50

5 EQUALITY, DIVERSITY AND INCLUSION

- (a) We have carried out an Equality Impact Assessment to consider the positive and negative impacts this Policy may have on people with protected characteristics under the Equality Act 2010 and have concluded that implementation of this policy presents no barriers to accessing the service/process or unintentionally disadvantages for “any protected group”. We aim to ensure that all residents can achieve an equitable outcome and that compensation payments reflect impact.
- (b) When required, Council Officers will assist residents in making a claim for compensation, by, for example, helping to complete paperwork or offering translation services.

6 DATA PROTECTION

- (a) Where information needs to be shared with our staff and partners to resolve a complaint or to deal with a compensation award, this will be in line with data protection requirements, including:
- Data is processed lawfully, fairly and in a transparent manner.
 - Data is collected for a specific and legitimate purpose and not used for anything other than this stated purpose.
 - Data is relevant and limited to whatever the requirements are for which the data is processed.

- (b) For further information on the Council's responsibilities for data protection can be found here: <https://www.stroud.gov.uk/privacy>

7 FINANCIAL CONTROLS

- (a) The Council are required to comply with financial legislation and regulations around antifraud and money laundering when processing financial transactions. Refunds of rent and service charges will be made direct to that account.
- (b) When making payments directly to residents we will pay into the tenant or lessee's account only, and require supporting documentation to verify the beneficiary details, such as a recent (within 3 months) bank statement, confirming the beneficiary address and bank details (sort code and account no.).
- (c) Details of the anti-money laundering regulations can be found here: www.gov.uk/guidance/money-laundering-regulations-your-responsibilities
- (d) The Council has a zero-tolerance approach to fraud committed or attempted by any person against the organisation and we will investigate all allegations in line with our counter-fraud and anti-corruption policy: www.stroud.gov.uk/media/q2ta1gdp/counter-fraud-and-anti-corruption-policy-v21-2022.pdf

8 PERFORMANCE MONITORING

- (a) We will use the learning from compensation cases and complaints to continuously improve our service to our residents.
- (b) Compensation awards linked to complaints will be monitored quarterly, reported, and published annually via the Council's website. Reports may provide analysis on compensation payments, information on themes identified and learning as a result.
- (c) In addition, a biennial review of this policy will be undertaken by the Housing Quality Assurance Team to update values, incorporate legislative, regulatory requirements and best practice developments.