

STROUD DC

Tenant Services  
COMPENSATION POLICY

## 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 applies to compensation which the Council may pay in connection with valid complaints regarding the Council's housing. In some cases the compensation is controlled by legislation (referred to below as "statutory compensation") and in other cases the level of payment is purely the subject of the Council's discretion. The various areas covered are set out below:

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

We will ensure that we compensate our tenants in accordance with relevant legislation. At the time of drafting this policy, the legislation includes examples as set out below:

- Land Compensation Act 1973
- Housing Act 1985 (Right to Buy).
- Secure Tenants of Local Housing Authorities (Right to Repair) Regulations 1994
- Housing Act 1988
- Secure Tenants of Local Authorities (Compensation for Improvements) Regulations 1994

In appropriate cases where the case officer investigating the complaint considers compensation may be payable, the level of compensation payable (if any) will be determined by the following officers :

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**
- the complainant's preferred language

### Performance Monitoring

We will monitor our performance in acting and learning from complaints.

By continuously reviewing our services (including by way of comparison with the performance of other similar social housing providers and research into their processes and procedures), the Council endeavours to continuously improve its services and ensure compliance with best practice.

This policy will be reviewed by the Council on a regular basis as required.

STROUD DC

Tenant Services  
COMPENSATION PROCEDURE

**General**

All compensation assessments will be mindful of the corporate complaints process. Managers should assess each case on its individual merits and only make an offer of compensation, if appropriate; the tenant is then obliged to contact the manager to state that they accept the compensation amount.

Tenants will be advised to seek free independent legal advice prior to any acceptance 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. The appeal will be considered by the officers above who are not part of the relevant service area e.g. the Tenancy Operations Manager may consider appeals against the asset side of the service or the Asset Operations Manager to consider appeals on the tenancy management side

## **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 £5,300 will be paid to the tenant. In the case of a joint tenancy, the payment will be split between both tenants and documented by disclaimer accordingly. All home loss payments will be authorised by the appropriate Head of Service. Details can 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.

### **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 set out in Regulation 4 of the 1994 Regulations as outlined below:

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

C = Cost of improvement

N = Notional life of improvement

Y = Number of years since completion

For a claim to be considered tenants will need to have:

- Gained written permission for the improvements in advance from their tenancy management officer and maintenance and repairs officer
- Obtained three quotes for works from contractors and have sent copies to Stroud District Council which must have been acknowledged
- Have had an expert site inspection (by an approved Council officer) before works start
- Gained necessary statutory approval (e.g. planning permission, building control) for improvements
- Provided evidence of the cost of installations and evidence of notional life of the improvements
- Carried out works to an acceptable standard, and have had them verified by a Maintenance and Voids Officer
- Submitted their claim to their Tenancy Management Officer within 1 month prior to or at the end of the tenancy

In addition, for a claim to be considered it should be noted:

- 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 tenants that we help them to maintain their home and fix their repairs as quickly as possible. When considering paying discretionary compensation we should take into account the following factors: which should be pursued in preference to paying compensation:

- Have we taken other practical action to find a remedy to the complaint?
- Have we considered any practical action suggested by the complainant? Have we undertaken a property inspection to verify the complainant's account of the situation?
- Have we undertaken a council debt check? – any compensation should 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 where they are claiming for loss of wages etc.

Tenants will not be eligible for compensation if the tenant was advised that the appointment would need to be postponed at least 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 or broken possessions caused by our contractors. Officers will liaise with the contractors and request that they compensate the tenant(s) directly for amounts up to £500 for property damage or up to £50 for possessions. Claims over £500 will need to be assessed by an independent insurance assessor.

In the case of damp and mould an independent assessment will be made of the property to assess if the 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 the Council has been found negligent in the up-keep of the property, we will pay compensation to replace furniture at second hand value rates. Compensation will not be paid in cases where tenant lifestyle is the cause of damp or mould.

## Distress in cases of Repair or Damage to Property

In addition to the above areas for which we may compensation, the Local Government Ombudsman may also recommend compensation be paid by the Council to a tenant (or his family) for distress suffered as a result of the particular situation complained about. Consequently, when we deal with a complaint consideration should also be given to whether tenants have suffered distress, frustration or anxiety regarding a repair. This is more likely to be relevant to cases which have taken an unduly long time to resolve. In such cases where there evidence of distress etc having been experienced it may be appropriate for the Council to pay some additional compensation.

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 the appropriate level of such goodwill 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 payment is offered, the amount should reflect the individual circumstances of the case. This will be documented and retained for a period up to a maximum of 3 years.

## Tenant's own actions in cases of Repair or Damage to Property

Financial compensation would not be appropriate if the complainant has in effect caused the situation complained about. For example, the following provide typical examples of situations which create damp / mould, or where repairs are required to properties etc. and which in turn can cause some inconvenience to the tenant or his family:

- 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

## 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 for such nuisances, we need to consider 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 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 (e.g. where our tenant has been driven from their home to stay with family and friends we have delayed in taking action against the neighbour nuisance). In such situations the tenant may be 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 neighbour 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 in cases of Neighbour Nuisance

Tenants who are affected 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 responding to neighbour 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 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 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 neighbour's behaviour, (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 in cases of Neighbour Nuisance

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 Decoration or Moving Home 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 in cases of Adaptation or Transfer**

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% reduction of their monthly rent for the duration of inaction.

### **Tenant's own actions in cases of Adaptation or Transfer**

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