



Housing Service Compensation Guidance

2024

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Contents

1. Introduction	Page 2
2. Objectives	Page 2
3. Discretionary Compensation	Page 2
4. Making a Claim	Page 4
5. Statutory Compensation	Page 5
6. Monitoring	Page 7
7. Legislation	Page 7

1. Introduction

- 1.1 Oadby & Wigston Borough Council is committed to delivering high quality and efficient services. We recognise the impact on our customers if our level of service drops below our agreed standards and we aim to be fair to any customer who incurs financial loss or inconvenience due to a service failure. In these cases, we will consider compensation.
- 1.2 This guidance document applies to tenants. It does not apply to members of the public who have no contractual relationship with Oadby & Wigston Borough Council. This document covers both discretionary compensation which relates to loss, damage, or inconvenience due to service failure of other faults, and statutory (obligatory) compensation.
- 1.3 If a customer wishes to claim compensation and needs help to do so we will support them in any way we can, but the claim must be made within 28 days of the incident taking place.

2. Objectives

- 2.1 This guidance sets out the circumstances when discretionary compensation will be considered and also highlights our statutory obligations to provide compensation.

3. Discretionary Compensation

- 3.1 We will consider paying compensation if we have:
- poor complaint handling
 - delays in providing a service e.g. in undertaking a repair
 - failure to provide a service that has been charged for
 - temporary loss of amenity
 - failure to meet target response times
 - loss of use of part of the property
 - failure to follow policy and procedure
 - unreasonable time taken to resolve a situation
- 3.2 Compensation is not automatic and will not apply where the service failure or mistake has not caused any problems or where it can be easily remedied. The main aim is to replace items or remedy the problem by issuing vouchers or apologising or agreeing to change procedures to put things right.
- 3.3 Compensation may be a sum of money, but the amount will be reasonable, justifiable, and proportionate and based on the personal impact. It will reflect the level of inconvenience, disturbance, stress, or annoyance suffered and the extent to which the Housing Service has been directly responsible. It will also take into account the time taken to resolve the problem and any costs incurred.

3.4 Compensation will not be given if:

- a fault was repaired within the target time and to a good standard
- the Housing Service has acted reasonably and complied with its legal and contractual liabilities
- the fault was caused by a third party, or the Housing Service had no control over it, for example a water leak from a neighbour
- the contractors were unable to obtain parts or materials to complete the work; there were extreme weather conditions, and the contractors advised the tenant that additional work was necessary to complete the repair
- planned improvements were agreed with the tenant, unless the works took longer than expected
- the loss of damage was the tenant’s own fault, including the failure to report the repair promptly or to keep appointments
- damaged items were removed or replaced before the Housing Service could view them
- evidence is not provided to justify any claims for out-of-pocket expenses
- the claim is to compensate for time off work

3.5 This document does not cover compensation claimed for an alleged effect on a tenant’s health, or a member of their household’s health, due to a failure of our services. Any tenant who wishes to seek financial compensation because they believe that their health has been affected should notify us. We will inform our insurers, and the claim will be investigated appropriately.

3.6 The table below shows how the value of compensation will be assessed:

Level of impact to customer	Inconvenience caused	Compensation up to maximum of	Authorisation level
Low	One instance of mild inconvenience directly caused by the Housing Service	£100	Member of staff
Medium	A succession of service failures and/or the problem is not resolved within a reasonable timescale	£250	Manager
High	Serious or prolonged service failure or loss of facilities resulting in severe stress, disruption, inconvenience, or loss of income	£500	Senior Manager

3.7 Examples of compensation to rectify service failures are:

- DIY vouchers will be given for decorations damaged by our contractors
- We will replace a carpet if we have damaged it
- If we fail to notify a new tenant of a delay to their proposed letting date within 48 hours of the date, we will make a one-off payment of £25, except if the delay is out of our control, e.g. vandalism
- If we have failed to deliver a significant service paid for through a fixed service charge, we will take into account the charge for the service, the disruption caused and how long the service was unavailable. The charge will then be adjusted in the following year. In exceptional circumstances material errors in fixed charges will be addressed during the year
- For variable service charges, service failures will be credited and carried forward in the accounts or reimbursed to the tenants after reconciliation of the accounts
- Where there is a loss of heating, we may provide an alternative temporary form of heating. Where this is more expensive to operate, we will pay £3 a day for the additional fuel or utility costs. This can be reviewed in exceptional circumstances
- Where a de-humidifier is provided to dry out a property following a leak or a flood, we will pay the running costs
- If a room is not habitable because of a disrepair, major works or improvements, compensation will be paid after 7 days of continued loss of use. Our guidelines are a weekly amount of £20 per bedroom or living room and £50 for a kitchen or bathroom. We may pay an additional sum to compensate for out-of-pocket expenses which has resulted from the loss of this room. An example would be a sum towards the additional costs of food or eating out if the kitchen is unavailable for use
- Alternative accommodation will be provided, included bed & breakfast if there is nothing available in our stock, where damage or the work to rectify the damage means that a significance portion of the property is uninhabitable. In most cases, if suitable alternative accommodation is offered and refused, the tenant will waive the right to compensation

3.8 Tenants are encouraged to take out home contents insurance for their furniture, decorations, and personal possessions, to insure them against accidental damage, loss, fire or water damage, burglary etc. Where a tenant's possessions are damaged through building failure which is not covered by their own insurance, compensation for damaged possessions will be paid if it can be shown that the Housing Service was at fault.

3.9 The decision to make a compensation payment in the form of cash in relation to how we have handled a complaint will be taken by the senior manager dealing with the complaint at stage 2. This compensation will take into account whether the complainant has had to spend

excessive time, effort or inconvenience pursuing the complaint, but will not be paid for time taken making lengthy written complaints or providing substantial or repeated items of evidence.

- 3.10 Rent arrears will only be written off if there have been significant delays in notifying tenants of the arrears e.g. over 12 months where tenants pay through a monthly standing order, insufficient amounts collected for over 6 months by direct debit or tenants not advised of the correct rent increase.

4. Making a Claim

- 4.1 If a customer wishes to claim compensation and needs help, we will support them in any way we can, but the claim must be made within 28 days of the incident taking place unless there are exceptional circumstances. A claim can be made by any method including by telephone, in writing, in person at our offices or during a home or site visit by a Housing Service staff member, or through an advocate or family member. Written claims should be of a reasonable length. Excessively long claim and written evidence will not be considered.
- 4.2 Claims will be dealt with efficiently, sympathetically, and promptly to reduce distress and potential further dissatisfaction. Our aim will be to make a decision within 10 working days. Where this is not possible, the customer will be contacted and kept informed.
- 4.3 If the customer asks for the compensation to be reviewed, this will be dealt with under stage 2 of the Complaints procedure. We will not normally review at stage 2 the level of compensation paid under stage 1 of the Complaints procedure.
- 4.4 The Council's insurers will be informed immediately of any incidents which may give rise to a possible personal injury claim. Any claim for compensation in relation to impact on health will immediately be passed to the insurers.
- 4.5 Where any unreasonable damage or loss occurs when our contractors are carrying out work to the property, we will ensure that the damage is made good and assist the tenant if they wish to claim against the contractor.
- 4.6 Any money owed by the tenant, such as rent arrears, court costs or rechargeable items, will be deducted from any cash paid in compensation, unless the compensation is for loss or damage. Cash compensation will not be paid to tenants who are under notice to leave their property.
- 4.7 Any offers of discretionary compensation are made on the basis that it does not constitute an admission of legal liability.

5. Statutory Compensation

5.1 Right to Repair

- 5.1.1 Tenants have a right to expect repairs to be completed within certain set timescales. In particular we want to ensure that certain small emergency and urgent repairs that affect a tenant's health, safety or security are completed quickly and easily. These are called 'qualifying' repairs and further details are given in the Repairs & Maintenance Policy.
- 5.1.2 Where these repairs cannot be completed within an agreed timescale the resident has a right to request the Housing Service to instruct a second contractor to complete the work. Where this contractor also fails to complete the work within the agreed time, we will acknowledge the inconvenience caused and pay compensation.
- 5.1.3 The compensation payable is £10. Another £2 per day is payable for every extra day, up to a maximum of £50. The compensation will not be paid if the tenant fails to provide access to the property.

5.2 Right to Compensation for Improvements

- 5.2.1 This applies to tenants at the end of their tenancy. Tenants may make alterations or improvements to their home provided that written permission has first been given by the Housing Service. It is the tenant's responsibility to obtain any other necessary consents and to execute the work to a satisfactory standard.
- 5.2.2 Fixtures and fittings installed by a tenant become the property of Oadby & Wigston Borough Council in the event of the tenant moving out, but where the specified improvements have been carried out with our permission, secure tenants have the right to compensation when they end the tenancy, subject to depreciation.
- 5.2.3 Tenants can claim for the cost of materials and labour costs, but not for appliances and their own labour. The amount payable can be up to £3,000 for any one improvement but claims for under £50 in value will not be considered. Evidence must be provided in support of the claims.
- 5.2.4 The compensation will be used to clear any rent arrears owing at the end of the tenancy and will not be payable to tenants who apply to purchase their home through Right to Buy or where the tenancy is ended through possession proceedings.

5.3 Home Loss and Disturbance Payment

- 5.3.1 This applies when a tenant has to move from their home, i.e. decanted due to redevelopment, improvement works or demolition. It does not apply to repairs, including major repairs, or any other reason for a move.
- 5.3.2 The Home Loss Payment is set by statute and will only apply where the tenant has been living at the property over the last 12 months and is required to move permanently by Oadby

& Wigston Borough Council. It can be claimed up to 6 months after the move. The Home Loss Payment from 1st October 2017 is £6,100. The payment will only be made once the permanent move has taken place.

- 5.3.3 Home Loss Payments to leaseholders are also prescribed in S30 (1) of the Land Compensation Act 1973, as amended, but they differ to that of tenants and there is a minimum and maximum amount payable.
- 5.3.4 The Disturbance part of the payment covers the actual costs and reasonable expenses that occur as a direct consequence of the decant. Reasonable requests for the Disturbance Payment to cover out of pocket expenses associated with the move will be considered. Tenants will be required to produce written estimates from reputable contractors and the payment can include, but is not limited to, payment for removals, disconnection and reconnection charges and redirection of mail. Disturbance Payments will be made whether the move is permanent or temporary.
- 5.3.5 If the tenant is decanted temporarily and stays with friends, a Miscellaneous Allowance will be paid.

6. Monitoring

- 6.1 Compensation payments are monitored as a means of improving service performance to customers and to ensure consistency of approach and appropriate use of compensation awards.

7. Legislation

- 7.1 The legislation covering statutory compensation is set out below:
- Section 30 of the Land Compensation Act 1973, as amended by the Planning and Compensation Act 1991 relates to Home Loss and Disturbance Payments. The Home Loss part of the payment is covered by the Home Loss Payments (Prescribed Amounts) (England) Regulations 2008 and these regulations will be checked before any payment is made
 - The Secure Tenants of Local Housing Authorities (Right to Repair) Regulations 1994 gives secure tenants the right to claim compensation if qualifying emergency and urgent repairs are not carried out within prescribed timescales
 - A Right to Compensation for Improvements was introduced in 1994 as part of the Citizens Charter. Tenants whose tenancies are ending can claim compensation for improvements they have made to their home