



**Chester & District
HOUSING TRUST**
"Two Stars and Excellent"

Policy

Compensation Policy

Policy control

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|----------------|---------------------------|-----------------------|
| Effective date | March 2009 | |
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1. Introduction

This policy aims to set out the circumstances under which compensation will be payable to residents and leaseholders by the Trust and the amount of compensation payable. This will become payable when the Trust is at fault for not providing services as specified in service standards. In addition, this policy also applies to compensation of a statutory nature, such as compensation for approved improvements, right-to-repair or where tenants are affected by major refurbishments works or redevelopment of their homes.

2. Policy aims

This policy aims to ensure that:

- a. a consistent approach is taken to compensation across the Trust;
- b. the compensation payable is fair and reasonable, but does not compromise the financial integrity of the Trust;
- c. there is a provision to make goodwill or *ex-gratia* payments where the Trust is not at fault.

3. Implementation

3.1 Compensation

Situations where the Trust may pay compensation

- a. loss of amenities – if a resident loses heating or, hot/cold water , due to a factor which is the Trusts' responsibility;
- b. loss of use of a residents home – if a resident cannot use all or part of their homes due to a poor repair, or lack of repair;
- c. poor service – e.g. if repairs are not completed within a stated target time or a resident is seriously inconvenienced;
- d. if staff fail to keep an appointment made with a resident for a specific time and do not give at least 24 hours notice of cancellation;
- e. due to the negligence of the Trust or one of its employees.

Situations where the Trust will not pay compensation

- if the service has been lost for reasons outside our reasonable control e.g. bad weather, delay due to parts being unavailable or access problems;
- if the problem has been caused by resident/leaseholder negligence or that of their visitors or family;

- for damage caused to their personal belongings or furnishings due to wear and tear;
- if external agencies outside our control (e.g. utility companies) fail to act;
- for a fall in standards in caretaking or grounds maintenance. However, if this does occur we will act immediately to improve the situation.

Ex gratia or goodwill payments

These can be recommended if the following conditions are satisfied

- that the customer has contributed through the use of the official complaint procedure
- that the customer's complaint has been rejected but it is felt that them raising an issue has contributed in some measure to an improvement in future service delivery

Members of the Executive Management Team have the authority to award payments up to the value of £250. Board Directors, via the complaints appeal process, also have the authority to award payments up to the value of £500.

Under what circumstances will we provide compensation?

Breakdown or loss of service

If the resident does not receive a service for which they pay a service charge, the Trust will refund the overpaid charge at the end of the year. In cases where the loss of certain services causes considerable inconvenience and distress for residents, the Trust will use discretion to decide whether additional compensation may be payable.

Loss of use of all, or part of the residents' home

If a resident loses use of all or part of their home because we have not carried out a repair, we will make a payment. This will be the full amount of the rent for the time that they are unable to live in the property, or a proportional amount if only part of the property is uninhabitable.

Repairs not completed on time

For emergency or urgent repairs not completed on time we will pay compensation as a one-off payment of £10, plus an extra £2 for every calendar day the repair remains overdue to a maximum of £50. Claims for repairs being completed late must be made within one month of the repair being completed.

Appointments not kept

If the Trust does not keep an appointment and has not given the resident/leaseholder 24 hours cancellation notice, compensation of £10 will be paid, unless the failure to keep the appointment was due to unforeseen circumstances such as severe weather conditions or staff sickness. Claims for compensation must be made within one month of the alleged missed appointment.

Damage to property

If the Trust or one of its employees damages property or possessions, or causes damage due to failure to provide an adequate service, the Trust may pay compensation for replacement of the items. This will be based on the cost, condition and age of the item and any compensation being on a like-for-like basis.

The investigation and resolution of the compensation claims should be owned by the department concerned. The financial implications of any compensation will be borne by the department concerned. The information will be gathered and reported in line with the complaints policy.

Who can claim compensation?

Residents, leaseholders and housing applicants (though in the latter case it is limited to missed appointments).

How do residents claim compensation?

The resident should lodge a complaint against the Trust. The Trust will investigate, following the guidelines outlined in the complaints policy, and if the Trust finds that the problem was caused by a failure on our part, we will automatically consider the complaint as a claim for compensation.

Any compensation awards made will be first credited against any amounts owing to the Trust (rent, service charges, legal costs or recharges), prior to any payments to the claimants.

3.2 Statutory compensation

Qualifying improvements

Compensation is payable for an authorised improvement carried out by the tenant to a satisfactory standard where proof of installation costs can be provided.

Compensation for qualifying improvements is paid at the end of tenancy. If money is owed to the Trust at the end of tenancy it will be offset against any compensation due.

To calculate the compensation payable, the cost of the improvement will be depreciated over its assumed life. A list of qualifying improvements and their assumed lives can be seen in Appendix A

Repairs – Right to Repair Scheme

The Right to Repair scheme covers small urgent repairs costing up to £250. The Trust will comply with the conditions within the Right to Repair scheme. The details of the qualifying repairs and the timescales are included in Appendix B.

If the Trust has failed to complete a repair that has been reported and this subsequently causes damage to the tenant's property it will pay compensation to the tenant as set out in the Compensation Policy.

Tenants affected by major refurbishment works or redevelopment of their homes

Rent payment

Where refurbishment works are required and the tenants remain in the property, and it results in the loss of basic amenities, e.g. washing/ cooking/heating facilities, 50% of the rent shall be paid for each week while the works are in progress.

Where suitable alternative temporary accommodation is provided for the tenant and their permanent resident family, rent shall continue to be paid in full, in respect of their permanent address.

Where the resident and their family are provided with mobile home as alternative accommodation, then the rent shall be paid at 50% per week in respect of their permanent home.

Where the resident arranges alternative accommodation with relatives for themselves and their family, then rent shall not be due for each week the works are in progress at their permanent home.

Where alternative accommodation is provided outside the immediate curtilage of the property and certain items of furniture and/or personal effects need to be transported, then arrangements for the payment of the transportation of such items to and from the temporary accommodation shall be made by the Trust. The tenant may make their own arrangements at their own expense.

Where safe storage is required for certain items of valued furniture/personal belongings, then the cost of transportation and storage shall be met as necessary by the Trust.

Travel expenses

Where the tenant and their permanent resident household are placed in temporary accommodation or have made their own arrangements for alternative accommodation, and it results in additional travelling to their usual place of work, then the tenant and their resident household shall be able to claim a mileage allowance in accordance with NJC – Essential Car Users Allowance or the actual cost of public transport.

Where the tenant and their permanent resident household arrange a single stay with relatives / holiday for the duration of the works and no daily travel to work is required, then the tenant and each resident family member shall be reimbursed a one off travel expense equivalent to a return second class train journey from the point of departure to their destination within the UK. Such expense must be authorised by the Trust prior to the journey being taken.

Disconnection and reconnection of appliances and utilities

Where the tenant is required to vacate their permanent home due to refurbishment then arrangements will be made by the Trust at its expense for:

- the disconnection and reconnection of appliances such as washing machine, dishwasher, telephone, TV aerials, satellite dishes, gas fires etc.;
- the utility meters to be read and for arrangements to be made for their disconnection and subsequent reconnection as appropriate; and
- the moving of specialist disabled adaptations (i.e. ramps, stair-lifts, wheelchairs, storage etc.) and specialist bathing adaptations required for disabled or medical needs.

Floor coverings

Where an internal layout is changed due to works undertaken in the property and the floor coverings are damaged or no longer fit, then the tenant will be reimbursed in accordance with the formula set in Appendix C.

Home Loss / Disturbance Payments for Tenants

In addition to the compensation outlined above, where the permanent home of the tenant who has been resident for one year is to be demolished, then a home loss payment of £4,700 shall be made in accordance with the Land Compensation Act 1973 as amended by the Planning and Compensation Act of 1991. Decant status will be awarded after Board approval and compensation to be paid in conjunction with an offer of a suitable alternative property.

4. Performance management

The levels of compensation will be reported periodically to the Communication Action Team (CAT) and the Board. Performance indicators in this area will include:

- number of cases;
- value of compensation awarded;
- cause of compensation awarded; and
- service improvements identified.

5. Customer service standards

This policy covers all service areas within the Trust and therefore the appropriate service standard for the area applies. The overarching

service standards will be the commitment to treat residents with courtesy and respect, to be taken seriously, to be treated with dignity and provide clear, accurate and truthful information.

6. Legal framework

Secure Tenants in Local Housing Authorities (Right to Repair) Regulations 1994.

Land Compensation Act 1973 (as amended)

7. Equality and diversity

- The Trust shall utilise customer profile information to identify individual requirements such as preferred method of communication and shall ensure that appropriate communication is used to make sure that all customer groups can be accessed.
- The Trust shall use information gathered from its activities to identify any trends within diverse groups in its communities.

8. Responsibility

The Business Assurance Manager will be responsible for the review and updating of this policy.

9. Review

This policy will be reviewed once every two years.

10. Associated documents

Complaints policy; and
Decant and relocation policies.

Appendix A

Qualifying Improvements and Assumed Life Span

| Improvements | Assumed Life Span |
|--|--------------------------|
| Bath or Shower | 12 years |
| Wash- hand basin | 12 years |
| Toilet | 12 years |
| Kitchen sink | 10 years |
| Storage cupboards in bathroom or kitchen | 10 years |
| Work service for food preparation | 10 years |
| Space or water heating | 12 years |
| Thermostatic radiator valves | 7 years |
| Insulation of pipes, water tank or cylinder | 10 years |
| Loft insulation | 20 years |
| Cavity wall insulation | 20 years |
| Draught proofing of external doors or windows | 8 years |
| Double glazing or other window replacement or secondary glazing | 20 years |
| Rewiring or the provision of power and lighting or other electrical fittings including smoke detectors | 15 years |
| Security measures (excluding burglar alarms) | 10 years |

Appendix B

Schedule of Qualifying Repairs (as extracted from Secure Tenants of Local Housing Authorities (Right to Repair) Regulation 1994)

| Defect | Prescribed Period (working days) |
|---|---|
| Total loss of electric power | 1 day |
| Partial loss of electric power | 3 days |
| Unsafe power or lighting socket or electrical fitting | 1 day |
| Total loss of water supply | 1 day |
| Partial loss of water supply | 3 days |
| Total or partial loss of gas supply | 1 day |
| Blocked flue to open fire or boiler | 1 day |
| Total or partial loss of space or water heating between 31 October and 1 May | 1 day |
| Total or partial loss of space or water heating between 30 April and 1 November | 3 days |
| Blocked or leaking foul drain, soil stack or (where there is no other working toilet in the dwelling house) toilet pan | 1 day |
| Toilet not flushing (where there is no other working toilet in the house) | 1 day |
| Blocked sink, bath or basin | 3 days |
| Tap which cannot be turned | 3 days |
| Leaking from water or heating pipe, tank or cistern. | 1 day |
| Leaking roof | 7 days |
| Insecure external window, door or lock | 1 day |
| Loose or detached banister on handrail | 3 days |
| Rotten timber flooring or stair tread | 3 days |
| Door entry- phones not working | 7 days |
| Mechanical extractor fan in internal kitchen or bathroom not working | 7 days |

Appendix C

Calculation of claims for compensation in respect of floor coverings as a result of internal structure layout changes

Where an internal layout is changed due to refurbishment and the floor covering is damaged, or no longer fits as a result of work carried out by the Trust, then the formula below shall apply:

$$\text{Compensation} = \frac{\text{Age of floor covering (by inspection if not known)}}{\text{Estimated life span (by inspection)}} \times \text{rate}$$

The table below shows cost of floor covering allowed except where original invoices are produced.

| Room | Hessian backed | Rubber/foam backed |
|----------------------|-----------------------|---------------------------|
| Bedroom | £11.85 per square mtr | £8.75 per square mtr |
| Living Room | £14.95 per square mtr | £12.40 per square mtr |
| Stairs / hall | £9.80 per square mtr | £9.80 per square mtr |

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|--|
| Laminate and Vinyl floor coverings - £8.00 per square mtr |
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