



Compensation Policy

Housing Services

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1. Introduction

1.1. The Compensation Policy has been developed to ensure we have a fair and transparent approach to the way we manage compensation claims made by our customers.

2. Scope

2.1. This policy focuses on the awarding of compensation and the different types of compensation available. These types are discretionary and compulsory.

3. Our approach

3.1. We will acknowledge all claims for compensation within 5 days and aim to reach a decision within 10 working days. However, as some claims may be complex, we may need more time to investigate. In these cases, we will contact the customer and agree a suitable extension.

3.2. Some compensation claims may be linked to a complaint, in which case any claim will not be finalised until the complaint has been fully investigated in line with our complaints procedure. On rare occasions we may need to offer interim payments.

Home Contents Insurance

3.3. Customers are expected to arrange their own home contents insurance, which will cover them for loss of, or damage to, their personal possessions.

3.4. There may be no right to compensation from us where any loss or damage would normally be covered by a household contents insurance policy and where we have not been at fault.

3.5. There are two types of compensation:

Discretionary compensation

3.6. We may offer a discretionary payment in certain circumstances to customers to resolve a complaint. Circumstances may include:

- where a customer is required to temporarily move out of their home;
- where a customer is unable to use part of their home due to disrepair or service failure;
- where a customer has suffered inconvenience or disruption during works to their home carried out by the Council's contractors;
- where we have failed to meet our landlord obligations under the tenancy or lease;
- where we have failed to provide services, or the quality of the service provided has fallen below our agreed standards, including adequate response times; or
- refunding reasonable costs that a customer would not have incurred if not for our service failure.

Compulsory compensation

3.7. We will offer this type of compensation in cases that fall under our statutory and/or contractual obligations. This may include:

- where a customer has made improvements to their home; or
- where a customer's home is being demolished and they must move to new accommodation.

3.8. A compulsory compensation scheme does exist which relates to the time taken to complete 'qualifying repairs'. The scheme applies to public landlords with 100 or more secure tenancies. The Council has not reached this number to date, so this compensation scheme does not apply to the Council's secure or introductory tenants.

4. Awarding Compensation

Discretionary Compensation

- 4.1. Colleagues may offer good will payments to our customers who have experienced a service failure. These payments are not an acceptance of any legal responsibility.
- 4.2. These offers are intended as a full and final settlement of any claim. However, this does not prevent a customer from making a formal complaint or escalating an ongoing complaint to the Housing Ombudsman Service (or another Ombudsman service).
- 4.3. Each customer's situation will be considered on a case-by-case basis.

Compulsory (Statutory) Compensation

- 4.4. There is clear guidance in place for statutory compensation and for compensation following a decanting process.
- 4.5. Below are examples of circumstances in which our customers may be eligible for compulsory compensation:

Home Improvements

- 4.6. A customer may be eligible for compensation for improvements they have made to their home when they end their tenancy.
- 4.7. In order to qualify for compensation, the improvement must be a qualifying improvement, the customer must have followed the required procedure and received the appropriate authorisation for the improvement to be carried out.
- 4.8. When considering compensation we will take into consideration the cost of the improvement, the number of years the improvement has been in place and the estimated life of the improvement.
- 4.9. We will give clear information to our customers as part of the Home Improvements application process.

Decanting

- 4.10. This is the process we follow when moving a customer out of their home, either on a temporary basis so that major work can be carried out, or on a permanent basis where the customer's home is going to be demolished.
- 4.11. A customer may also need to be decanted following an emergency such as fire or flood.

4.12. We will make statutory payments such as home loss or disturbance payments, where applicable.

4.13. Our Decant Policy gives further guidance, and this will be fully explained to any customer who is required to move out of their home.

Home Loss Payments

4.14. A Home Loss Payment is a statutory compensation payment to a customer who must permanently move out of their home as a result of redevelopment or demolition.

4.15. Payments may be made to customers who have lived in their home for a minimum of 12 months.

4.16. Home Loss Payments will be awarded in line with the following legislation:

- The Planning and Compensation Act 1991
- The Land Compensation Act 1973
- The Home Loss Regulations (Prescribed Amounts) 2008 amended annually

4.17. These regulations are reviewed frequently and should be checked before any payment is agreed.

4.18. Colleagues should always refer to Legal Services for assistance where a Home Loss Payments is required.

Disturbance Payments

4.19. A Disturbance Payment is a statutory entitlement to cover the reasonable expenses of moving and setting up a new home when a customer must permanently move out of their Reigate & Banstead Borough Council home.

4.20. An assessment will be made based on the customer's circumstances to agree the amount of compensation to be awarded.

Expenses for Temporary Moves

4.21. Where a customer must move out of their home on a temporary basis, they will not be entitled to a disturbance payment. They will, however, be entitled to reasonable expenses and the customer's circumstances will be assessed on a case-by-case basis. The Council's Decant Policy explains this in more detail.

5. Declining a Compensation Claim

5.1. Every request for compensation should be considered on its own merits. If we decline any part of a formal compensation claim, we will explain why. Compensation may not be payable in the following circumstances:

- the loss or damage has been caused by the customer or a member of their family or a visitor to their home.
- a customer of an adjoining property causes the damage, for example a leaking washing machine.
- the customer has not reported the loss or damage within a reasonable timescale, has not retained damaged goods for inspection, and/or is unable to provide appropriate receipts for the losses incurred. We will consider what constitutes a 'reasonable timescale' on a case-by-case basis but would normally consider 28 days to be the maximum. In such circumstances, we may wish to make some form of compensation offer.
- where a contractor is unable to gain access to the customer's home to assess the damage and the cause of it.
- where we have kept the customer fully informed of unforeseen works or delays in works that are required.
- where there has been no negligence or failure on the part of the Council, although it may be appropriate to acknowledge any inconvenience caused to the customer.

5.2. There is no right to compensation where the contractor:

- has attended in the agreed timescale and is waiting for parts
- has attended and made safe or limited further damage
- is delayed for another reason outside of their control
- has been unable to complete the work for reasons of health and safety
- has been unable to gain access to the property through no fault of his/her own.

5.3. If the customer is unhappy with the decision, it will be treated as a complaint (or an escalation of an existing complaint).

Complaints

5.4. Where the customer is not satisfied with the outcome of a claim for compensation, this may lead to them making a formal complaint. All complaints will be investigated and managed in line with our Complaints Policy.

5.5. Where the compensation claim is part of an existing complaint, the customer may request that the complaint is escalated to the next stage of the complaints process, where they are not satisfied with the outcome of the complaint investigation.

6. References

Relevant legislation:

- Land Compensation Act 1973
- Housing Act 1985, s.96 (Right to Repair), s. 99A and 99B (compensation for improvements)
- Planning and Compensation Act 1991
- Secure Tenants of Local Authorities (Right to Repair) Regulations SI 1994 / 133
- Secure Tenants of Local Authorities (Compensation for Improvements) Regulations SI 1994 / 613
- Secure Tenants of Local Authorities (Right to Repair) (Amendment) Regulations SI 1997 / 73
- Home Loss Regulations 2008 as amended

Reigate & Banstead Borough Council:

- Decant Policy
- Compensation Procedure
- Complaints Procedure