

# policy



## compensation

<b>Responsible Officer:</b>	Assistant Chief Executive Resources
<b>Approved:</b>	August 2015
<b>Review Date:</b>	August 2018
<b>Ratification Date:</b>	November 2010
<b>Version:</b>	2
<b>Scope:</b>	Group wide

# Compensation Policy

## 1.0 Introduction

- 1.1 Achieving our service standards ensures that we meet our vision of improving lives Incommunities, and Sadeh Lok's vision inspiring excellence, improving lives. Where these service standards are not met, the customer may be eligible for compensation.
- 1.2 This policy outlines the circumstances in which customers may be entitled to compensation or ex-gratia (goodwill) payments and sets out the different types of compensation that Incommunities may offer, depending on the circumstances.

## 2.0 Scope

- 2.1 This policy outlines the types of compensation available to customers and covers:

- **Statutory compensation:**

This section covers:

- Homeloss,
- Qualifying Improvements
- Right to Repair

Payments under these categories will be made in accordance with regulatory guidelines.

- **Redecorations following repairs or improvement works:**

This is a provision that can be made to redecorate when repair or improvement works cause damage.

- **Disturbance allowance:**

This is a provision for customers who are required to move on a temporary or permanent basis when major repairs, alterations or improvements are being carried out to their home or in some cases as an addition to statutory Homeloss compensation. It also applies to customers who are required to move permanently but are not eligible for Homeloss compensation.

- **Compensation for service failure or deficiency**

This is a payment made where there is no legal liability, however is offered where there has been complaint.

- **Ex-gratia payments**

These are discretionary payments offered where there is no liability or obligation to pay but instead offered as a gesture of goodwill.

- 2.2 It does not deal with:
- Claims for personal injury and other claims which are covered under liability insurance
  - Service Charge refunds
  - Disrepair claims

### 3.0 Statement of Intent

- 3.1 Compensation and goodwill payments are not automatic, even where it is clear that mistakes have been made.
- 3.2 Incommunities aims to ensure that compensation payments that are made are fair, appropriate and consistent. It will do this by:
- Defining the different situations in which the payment of compensation may be applicable.
  - Considering each case individually and take into account all factors relevant to the claim.
  - Monitoring expenditure in relation to compensation
  - In cases of statutory compensation, the association will comply with legislation

### 4.0 Policy

#### 4.1 Deciding on the most appropriate type of remedy

- 4.1.1 Incommunities will always aim to use the most cost effective type of remedy for the association that is also the most convenient and quickest route for the customer. Every case will be considered on its own individual merits and associated procedures can assist staff with the process of determining the most appropriate type of compensation to use.

#### 4.2 Statutory Compensation

##### Home Loss

- 4.2.1 Home Loss payments may be made to tenants (leaseholders?) who have lived in their property for a minimum of twelve months and are required to move home permanently as a result of development or demolition of their home. The amount of Home Loss payment is set by statute and reviewed periodically. The Association's will make payment to those affected in line with section 30(2) of the Land Compensation Act 1973.

##### Compensation for Qualifying Improvements

- 4.2.2 The Association will mirror the Right to Compensation for Improvements that applies to secure tenants who are ending their tenancies and made the improvements to their home since April 1994. This provision does not apply to leaseholders or Starter tenancies.

The tenant must have obtained permission from the Association before carrying out the works in order to qualify.

##### Right to Repair

- 4.2.3 This is a statutory right given to secure tenants through the Right to Repair Scheme, it covers specific 'qualifying repairs' which are urgent repairs that cost less than £250 and which are not carried out within specific time limits.

### **4.3 Re-decoration following repairs and improvement works**

4.3.1 This is a provision that can be made when repair or improvement works damage a tenant's decorations. This is intended to bring the home back to the standard it was in before the damage occurred.

4.3.2 Tenants are encouraged to take out home contents insurance for their furniture, decoration or personal possessions to insure them against accidental damage, loss of fire or water damage, burglary etc. The compensation policy is not intended to replace or compensate a resident's lack of content insurance. Liability based claims will be assessed and settled by the Insurance Team with support from legal services only where a legal liability is assessed. Examples of this could include damage that has resulted from a leak or damp.

#### Definition

4.3.3 Damage to décor of the home is defined as any damage to wall, floor or ceiling coverings, which includes but is not restricted to, paint, wall-paper or textured finish covering, caused whilst work is being carried out to a customer's home.

4.3.4 Damage is also considered to have been caused if Incommunities or their contractors remove or replace an existing fixture or fitting and this leaves décor previously covered by the fixture or fitting exposed. Examples include:

- Where Incommunities replace a central heating radiator with one smaller than the one previously installed, which then leaves a border around the new fitting.
- Where Incommunities remove a fireplace and leave a gap in the floorcovering

#### Full decorations

4.3.5 Full decorations are carried out for:

- All tenants living in designated older people' accommodation or for those customers aged 70 or over.
- All tenants with a disability where the customer is in receipt of a disability benefit with a middle or higher rate component for care or mobility and not living with anyone who would be capable of decorating.

4.3.6 In these circumstances contractors are asked to decorate every room affected by the works where damage has been caused to the décor within the home.

Consideration may be given to compensation if a customer wishes to employ their own decorator, but the costs cannot exceed those that would be paid to Incommunities' contractor.

#### Where the customer is not eligible for full decorations

4.3.7 Where tenants are not eligible for full decorations they may receive either a decoration grant which can be in the form of money or vouchers or a paint pack. Each case is considered on an individual basis and a full assessment is

carried out. In some instances the redecoration will be carried out by Incommunities where this is appropriate.

Decoration grant or vouchers:

- 4.3.8 The maximum level of decoration grant paid for any room is £80. At the landlord's discretion, cash or vouchers may be given and the value of these will also be a maximum of £80 per room. In cases where the damage exceeds this amount the landlord may, if supplied with sufficient evidence, consider offering further redecoration provisions
- 4.3.9 The amount awarded will be based on an assessment of the damage and will take into account the cost of the standard decoration used by the organisation, for example where carpet is fitted the cost will be based on the price of the carpeting used by the Incommunities. The redecoration aims to bring the tenants' home back to the standard it was in before the damage occurred.
- 4.3.10 Payments of decoration grants should not be deducted from a tenant's rent account or used to pay off any other debts owed unless there is expressed consent from the customer that it is their wish to do so.

Decoration packs:

- 4.3.11 Where damage has affected the paint work of the home and where customers are able to carry out work themselves or know someone who can help them, decoration packs can be issued. The packs contain materials needed for tenants to decorate their homes and are delivered to customers directly. They are given on a discretionary basis and are dependent on each case.

#### **4.4 Disturbance Allowances**

- 4.4.1 Disturbance allowances may be made to tenants who are required to move to another property temporarily for example where major repairs, alterations or improvements to residents' homes are being carried out and where the works cannot reasonably and/or safely be completed with the household occupying the property. Incommunities will make a full assessment before suggesting that a customer is moved. This assessment will include consideration of any vulnerability the customer may have and the scale of the works.
- 4.4.2 Incommunities will use empty housing stock to house tenants temporarily. Tenants will continue to pay the rent and utilities on their existing homes and the transit accommodation rent will be set to zero and utility costs covered.
- 4.4.3 Incommunities will coordinate the service themselves, which includes arranging removals to the new property and the disconnection and reconnection of appliances. Overall provisions for moving costs will be based on an individual assessment carried out by Incommunities.
- 4.4.4 In cases of emergencies, for example a fire or flooding, where tenants need to move immediately, the use of current housing stock is not appropriate. In

these circumstances alternative accommodation will be arranged for tenants by Incommunities.

4.4.5 Tenants who are required to move home permanently and have lived in your property for less than twelve months and therefore not eligible for homeless compensation, may be entitled to disturbance provisions.

4.4.6 Where tenants have had to move permanently and are eligible for homeless compensation, Incommunities may provide disturbance assistance which includes arranging the moving of furniture and appliances.

#### **4.5 Compensation for service failure or deficiency**

4.5.1 This is payment in circumstances in which there is not a legal liability, but where a complaint is upheld and/or there are circumstances where the Association believes its actions or inactions have led to a failure to meet its service standards, it may at its discretion offer a compensation payment.

4.5.2 When dealing with service failures, complainants may simply want recognition that something has gone wrong and an apology. Before proceeding to make a financial reward, other remedies might also be appropriate, including where a financial reward is in order. Often the complainant will state what they feel will rectify the problem and asking this question will be a good starting point.

4.5.3 The Association may also offer compensation to customers who have suffered distress, inconvenience or loss arising from our services or service failure in circumstances not covered elsewhere in the policy

#### **4.6 Ex-gratia payments**

4.6.1 In some circumstance a goodwill gesture can be offered where Incommunities has failed to deliver a service or performs unsatisfactorily, but where there is no legal liability to make a payment. These payments are not made where someone believes they have a claim against the association but are made voluntarily out of a sense of kindness or moral obligation.

4.6.2 Incommunities will consider and investigate each case individually and take the following factors into consideration before reaching a decision on the type and amount of compensation paid:

- Length of time it has taken Incommunities to resolve the problem;
- Any difficulties a customers has had in pursuing their complaint;
- Disruption to the household;
- Any additional costs incurred.

4.6.3 Ex-gratia payments do not usually exceed £100 and could be in the form of:

- A card
- A payment
- Gift vouchers
- Flowers

4.6.4 All cases will be dealt with on an individual basis and without prejudice. The following are examples of circumstances in which ex-gratia payments may be made:

- Where accidental damage has left someone without basic means of cooking, heating, or furnishing a property where they have no resources of their own
- To make amends to someone that has been the victim of a third parties' actions
- In some circumstances Incommunities will consider making ex gratia payments as a goodwill gesture to customers in such instances as, where a customer has taken the time to suggest ways of improving the service
- Payments may be made in respect of cost incurred arising directly from the service failure. This could include travelling costs, telephone calls, postage and lost wages, where the customer can provide evidence of costs being incurred.

4.6.5 Before making an ex gratia payment, consideration will be taken of any arrears or debt owed to Incommunities.

#### **4.7 Circumstances where compensation is not payable**

4.7.1 The Association will not pay compensation if we are unable to achieve our standards due to circumstances beyond our control. This may include:

- Exceptional weather conditions
- Accidental damage where the Association has not done something wrong for example burst pipes, blocked drains or other events which could not have been predicted and or were nor reported
- An alteration to the property carried out by the resident without permission or to an adequate standard
- Loss or damage caused by the resident, visitors or adjacent occupiers
- Where the resident prevents or delays the Association in delivering a service or contributes in some other way to the service failure

#### **4.8 Payment**

4.8.1 All offers of compensation will be made in writing. In general, payments of compensation will be made by monetary payment to the customer of an agreed amount by:

- Payment or vouchers
- Decoration pack
- Ex-gratia gesture

4.8.2 Where the customer owes money to the Associations, the compensation payment may in some circumstances be used to pay some or all of the debt. The Association will not use compensation for loss or damage (where for example the payment is to replace a damaged item) to pay a debt without the

customer's consent. However compensation for distress or inconvenience may be offset against the debt.

- 4.8.3 Compensation will be calculated based on the circumstances of each individual case. The over-riding principle is that the amount of compensation awarded should be appropriate and proportionate.

## **5.0 Performance Management**

- 5.1 Records of expenditure should be kept by each service manager and will be gathered by Performance Management and reported to HA Board on an annual basis.
- 5.2 Compensation in relation to complaints will be recorded centrally as part of the overall complaints monitoring.
- 5.3 The total amount spent on compensation will be recorded and included in reports on complaints produced annually for Board. The review will ensure consistency in payments and identify any patterns of service failure that need to be addressed.

## **6.0 Review**

- 6.1 There will be an automatic review of this policy whenever there is a change of regulatory provisions or other best practice information becomes available that will impact on the policy. In any event there will be a substantive review of this policy every 3 years.

## **7.0 Associated Documents**

Incommunities Complaints Policy