



Tenant Compensation Policy

This policy was produced in 2024 and is version 2.0

This policy was adopted by Cabinet on xxxx

Review Frequency: MDH will review this Policy every 5 years and as required to address legislative, regulatory, best practice or operational issues. However the Head of Housing and Health is given delegated authority to make minor amendments to the Policy as required by legislative changes, formal guidance or local operational considerations

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1 Introduction

- 1.1 Mid Devon Housing (MDH) aim is to provide an excellent service to its tenants at all times, however, we recognise that there will be occasions when our tenants may suffer some disadvantage, inconvenience or loss as a result of our actions or mistake and that in some instances, financial compensation or a goodwill gesture may be the most appropriate form of redress.
- 1.2 This policy applies to tenants or residents of MDH. It covers both discretionary compensation, which relates to loss, damage or inconvenience due to a service failure and statutory (obligatory) compensation.
- 1.3 Each case will be considered on its individual merits and discretion and common sense will be applied, while promoting consistency. MDH will take responsibility for any detriment or damage caused to an individual or their property and belongings by a third party (contractor) working on MDH's behalf.

2 Aims and Objectives

- 2.1 The aims of the Tenant Compensation Policy are:
 - To ensure a clear, fair and transparent approach to compensation for all tenants and residents;
 - To ensure consistency when calculating compensation;
 - To provide guidance on how and when compensation can be claimed;
 - Record and pay compensation promptly;
 - Monitor compensation payments and spend.
- 2.2 The objective is to provide tenants and residents of MDH with clear guidelines on when compensation will be paid and what factors will be considered when calculating payments.

3 Regulatory Framework and Context

- 3.1 Under the Transparency, Influence and Accountability Standard, the Regulator of Social Housing (RSH) requires that all registered providers must ensure complaints are addressed fairly, effectively, and promptly.
- 3.2 The Regulator of Social Housing (RSH) regard councillors as responsible for overview that providers' businesses are managed effectively and that providers comply with all regulatory requirements.
- 3.3 Social Housing (Regulation) Act 2023 has impacted the regulatory framework for social housing and introduced a new proactive, consumer regulation regime focussed on meeting the needs of tenants. One aim of the legislation and regime was to ensure that providers of social housing, such as the Council treat its tenants with respect.

- 3.4 These new standards are there to ensure people feel safe and secure in their homes, can get problems fixed before they spiral out of control, and see exactly how well their landlord is performing giving tenants a stronger voice.
- 3.5 As part of the new consumer regulation regime the RSH introduced a series of 22 mandatory Tenant Satisfaction Measures (TSMs) creating a new system for assessing how well social housing landlords in England are doing at providing good quality homes and services. These measures include those applicable directly to building safety as well as those based on tenant perception surveys setting out tenant’s views on our performance.
- 3.6 The TSM’s associated with this Policy are:
- TP01 – Overall Satisfaction
 - TP08 - Agreement that the landlord treats tenants fairly and with respect
 - TP09 - Satisfaction with the landlord’s approach to handling of complaints

4 Related and Relevant Policies

- 4.1 MDH is governed by legislation and good practice relating to the payment of compensation. This is used to decide when and how much compensation will be payable. Compensation payable under legislation includes:
- Right to Repair –Housing Act 1985 (the “Housing Act”) and Secure Tenants of Local Housing Authorities (Right to Repair) Regulations 1994 (the “Right to Repair Regulations”)
 - Right to Compensation for Improvements – -Housing Act and the Secure Tenants of Local Authorities (Compensation for Improvements) Regulations 1994 SI 1994/613
 - Home Loss and Disturbance payments – Land Compensation Act 1973 as amended
- 4.2 The following should be read in conjunction with this Policy:
- Corporate Complaints and Feedback Policy
 - MDH Repairs and Maintenance Policy
 - MDH Decant Policy

5 Compensation Considerations

- 5.1 MDH strive to provide excellent standards of service for our residents. We acknowledge that when these standards are not met, tenants can be inconvenienced or distressed, or have suffered a loss as a result of our action or inaction and that in some instances, compensation may be the most appropriate remedy.
- 5.2 Compensation is not automatic and will not apply where the service failure or mistake has not caused any inconvenience and has been easily and quickly remedied. The level of compensation should be reasonable, justifiable and proportionate to reflect value for money for all MDH tenants or residents.

5.3 Each case will be considered for compensation on an individual basis and take into account all relevant known circumstances and supporting evidence. All reports of loss or inconvenience will be investigated and where appropriate, compensation offered. Factors that should be taken into consideration when the level of compensation or goodwill gesture are calculated include:

- Costs that have been incurred by the resident that would not otherwise have been incurred including time and trouble, distress and inconvenience caused and out of pocket expenses;
- The level of stress or distress caused as a result of an action or inaction that has led to the claim of compensation. This will include the severity of the distress, the length of time involved and the number of people affected;
- The amount of inconvenience experienced by the tenants and how much effort was required by them to resolve the problem.

5.4 If the tenant has contributed to the failure in the service, when there have been problems gaining access for example, reserves the right to charge tenants for missed appointments.

5.5 Any compensation or goodwill gesture awarded must be appropriate and proportionate. To ensure consistency in the levels of compensation paid, the matrix in clause 8.19 sets out the maximum values that should be awarded. These amounts are based on the level of our responsibility and the impact on the resident. They are in line with guidance on compensation and redress, issued by the Housing Ombudsman Service.

6 Mandatory Compensation

6.1 MDH have a statutory duty to compensate tenants in the following cases:-

- Right to Repair;
- Tenant Improvements;
- Disturbance and Home Loss Payments;
- Right to buy.

The details of which are set out below.

Right to Repair Scheme

6.2 Right to repair scheme for council tenants

Tenants (secure and introductory) can use the right to repair scheme to get small repair jobs done quickly. Only repairs that cost less than £250 are covered by the scheme and only if they are specified defects. These are known as “qualifying repairs”. MDH can look at the repair to check it qualifies.

The tenants cannot use the right to repair scheme if MDH:

- Decides that fixing the problem would cost more than £250;
- Is not responsible for the repair.

Tenants also cannot use the scheme if they do not allow the MDH access to their home to inspect or fix the problem.

Tenants should report a repair to MDH as soon as they can. After the tenant reports the repair MDH will give to the tenant:

- information if the repair is covered under the scheme
- an explanation of the tenant's rights under the scheme
- contact details of the contractor who will do the repair (the contractor could be MDH itself)
- Information about the time and date to be home to let the contractor in

Repairs must be done within 1, 3 or 7 working days, depending on how urgent the problem is. The table below sets out the qualifying repairs and the prescribed period for the repairs to be completed

Qualifying Repairs:

Qualifying repairs (provided it costs less than £250 to repair)	Prescribed period (in working days)
Total loss of electric power	1
Partial loss of electric power	3
Unsafe power or lighting socket, or electrical fitting	1
Total loss of water supply	1
Partial loss of water supply	3
Total or partial loss of gas supply	1
Blocked flue to open fire or boiler	1
Total or partial loss of space or water heating between 31 st October and 1 st May	1
Total or partial loss of space or water heating between 30 th April and 1 st November	3
Blocked or leaking foul drain, soil stack or (where there is no other working toilet in the house) toilet pan	1
Blocked sink, bath or basin	3
Tap which cannot be turned	3
Leaking from water or heating pipe, tank or cistern	1
Leaking roof	7

Qualifying repairs (provided it costs less than £250 to repair)	Prescribed period (in working days)
Insecure external window, door or lock	1
Loose or detached bannister or hand rail	3
Rotten timber flooring or stair tread	3
Door entry phone not working	7

If the repair works are not done in time the tenant can request in writing that the authority use a different contractor. So where MDH is the first contractor and fails to complete the works in time the tenant can require a different contractor to MDH to do the repair works

A new time limit (see the prescribe periods in the above table) starts after MDH receives the tenant's request for MDH to arrange a replacement contractor. There are prescribed rules as to when the new time limit starts- see regulations

Time limits can be suspended if the works cannot be done because of circumstances beyond MDH's control or the contactor's control

Tenants can claim compensation if the second contractor does not do the repair within the new time limit. Tenants can get £10 compensation with a further £2 a day for every extra day the repair is not fixed, up to a maximum of £50. If there are rent arrears, compensation is deducted from the arrears.

If the contractor does not turn up to do the work by the last day of the time limit the tenant should let MDH know. Arrangements will be made for another contractor to carry out the works

Tenant Improvements

6.3 Secure tenants may have the right to be compensated for improvements that they carry out to their property. The compensation is only paid for certain types of improvement and can only be claimed at the end of the tenancy

6.4 Qualifying improvements that may be eligible for compensation are:

- bath or shower;
- wash hand basin;
- toilet;
- kitchen sink;
- storage cupboards in bathroom or kitchen;
- kitchen work surfaces;
- central heating or water heating;
- thermostatic radiator valves;
- insulation of pipes, water tank or cylinder;
- loft or cavity wall insulation;
- double glazing, secondary glazing or other window replacement;

- draught proofing of external doors or windows; or
- re-wiring or the provision of power and lighting or other electrical fittings including smoke alarms, security measures (excluding burglar alarms).

6.5 Internal decoration does not qualify for compensation.

6.6 Prior permission from MDH must have been obtained for a 'qualifying' improvement, and it must be made clear at the time of requesting permission that it would qualify as an improvement. For example, a kitchen may be on the list as a 'qualifying improvement', however MDH reserves the right not to deem it an 'improvement' if the materials used were not compatible with Council standard materials, fixtures and fittings. It is important that the tenant seeks advice, prior to work commencing, as to whether MDH would class it as a 'qualifying improvement'. Tenants can claim for the cost of materials and labour costs, but not for appliances or their own labour. The amount payable can be up to £3000 though claims under £50 will not be considered.

6.7 Payments will be adjusted for undue wear and tear or if any defects to the improvement exist at the end of the tenancy. Compensation is worked out based on the notional life of the improvement, divided by the cost of the improvement, minus the number of years left.

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

- C = Cost of Improvement
- N = Notional life of improvement
- Y = Number of years since completion

6.8 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 for possession.

6.9 Any compensation will be paid at the end of the tenancy and will be offset against any sums owed to MDH.

6.10 Tenants can enquire about compensation at any point during their tenancy, but should apply for compensation at the same time as giving notice to end the tenancy. Tenants have 14 days from the end from the end of the tenancy to make a claim. The tenant will need to supply:

- Name and Address;
- Details of improvements;
- Evidence of permission obtained;
- Evidence of cost of improvements; and
- The dates the improvement works started and finished.

- 6.11 For more information on compensation for tenant improvements, please visit:
www.gov.uk/government/publications/landlord-and-tenant-law-compensation-for-tenants-improvements

Disturbance and Home Loss Payments

- 6.12 A home loss payment may be available where a person is displaced from a MDH Dwelling in consequence of:
- a) The compulsory acquisition of an interest in the dwelling;
 - b) The carrying out of any improvement to the dwelling or of redevelopment on the land;
 - c) The making of an order for possession ground 10 or 10A in Part II of Schedule 2 to the Housing Act 1985.

A home loss payment is limited to those persons with a specific qualifying status (as set out in section 29 of the Land Compensation Act 1973) such as freeholders, leaseholders, tenants (including secure and introductory tenants and certain licensees. A spouse or a civil partner with home rights under the Family Law Act 1996 may also claim.

The person claiming must have been in occupation of the dwelling for a minimum of one year ending with the date of the displacement.

The homeless payment must be claimed by the applicant and must be claimed within six years of displacement.

The amount is set by the Land Compensation Act 1973. At the date of writing this policy the amount is in the case of an owner, 10 percent of the market value of the interest to a maximum of payment of £63,000, in all other case the amount is £6,300

- 6.13 Decanting is the term used to explain the process when residents are required to move from their homes due to works being carried out that cannot be carried out whilst they are in residence. This includes when a resident has to move because their home is due to be demolished or disposed of, and when extensive structural or intrusive works are required. Please see our Decants policy for more details.
- 6.14 A disturbance payment is also available in the same circumstances as a home loss payment. A disturbance payment is an additional amount representing “to compensate a residential occupier for reasonable expenses in moving from the house or land” This includes removal costs and the costs of setting up in a new home. There is no maximum specified for the payment and each case must be judged on its facts.

Right to Buy

6.15 Tenants who have made an application to buy their home are entitled to claim compensation if the sale has not completed within our statutory timescales, as a result of our inaction.

6.16 Tenants will need to:

- Issue a Notice of Delay to officers giving one month in which to resolve the delay; and
- Issue a further Operative Notice of Delay if the delay is not resolved within a month.

6.17 Financial compensation - We will deduct the sum of the weekly rent amount x the delay period. For instance, if the rent is £78.60 a week and there has been an 8-week delay, we would take £78.60 x 8 =£628.80 off the final purchase price.

7 Discretionary Payments

7.1 Examples of where discretionary payments may be applicable could include:

- 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; or
- Unreasonable time taken to resolve a situation.

7.2 We know how important it is to tenants that we help them to maintain their home and fix repairs as quickly as possible. When considering paying discretionary compensation, due to our action or inaction, we will consider:

- Distress, dissatisfaction or inconvenience caused to the tenant by our action; and
- Financial loss suffered by the tenant due to our actions.

- 7.3 Each claim for compensation is on an individual basis, taking into account all relevant circumstances, where documents and evidence have been supplied. If evidence has been requested and is not supplied, claims may not be considered.
- 7.4 Financial compensation may be appropriate for:
- Loss of amenities or rooms; or
 - If we are unable to complete a responsive repair within the set response times, in operation at the time, the tenant may have to cope without the use of amenities and/or rooms. In such cases, compensation may be awarded and will be calculated on the amount of rooms which are unable to be used and the amount of rent payable.
- 7.5 In some circumstances it may not be possible to carry out a repair to heating systems during the first visit due to the availability of spare parts, or the system is beyond economical repair. In such circumstances we will provide tenants with temporary heaters. MDH will consider reimbursing tenants for any out of pocket expenses as a result of having to use temporary heaters whilst their heating issue is being resolved. We may request proof of these out of pocket expenses. Where it is difficult to demonstrate additional energy usage as a result of use of temporary heating, and in many cases there is not an additional cost, but there is a reduction in thermal comfort and convenience, we may look to make a discretionary offer.
- 7.6 Tenants can claim compensation for financial loss if a pre-arranged appointment that has been confirmed is broken by a member of staff or one of our contractors. On such occasions we will pay a fixed amount of compensation up to £20, except in exceptional circumstances which are beyond the control of the Council, its officers, or appointed contractors.
- 7.7 We may ask tenants to provide evidence if they have suffered a financial loss including utility bills or receipts for unexpected expenses. We will use our discretion for small amounts such as having a meal out as the tenant had no access to electrics to cook a meal.
- 7.8 Tenants will not be eligible for compensation if the tenant was advised that the appointment would not be kept 24 hours before the appointment and an alternative appointment was arranged within a mutually acceptable timeframe.
- 7.9 Tenants are advised to have home contents insurance however tenants can claim compensation for accidental damage to their personal belongings caused by our contractors or staff. Tenants may be eligible for compensation if they do not have insurance but they will be required to provide us with photographic evidence and proof of the value of the loss.
- 7.10 We may, at our discretion, issue compensation to tenants as a result of decorations, furniture or personal items being damaged due to neglect by a member of staff or a contractor acting on our behalf, where it can be reasonably proven.

- 7.11 We may decide that through our actions or inaction, we have caused a tenant to experience distress, upset or inconvenience and as such may look to compensate them for this. We do not compensate for loss of earnings, but may consider, for example, that if a tenant had to take time off work, that this was an inconvenience. We may make a payment due to a service failure or missed appointment but this is dependent on individual circumstances.
- 7.12 If a good will gesture is offered managers should aim to tailor it to the individual and base each offer on the particular circumstances of the case.
- 7.13 We reserve the right to choose, sometimes even without acceptance of fault, to offer a gesture of goodwill. This can take the form of a physical token or financial gesture. Such gestures of goodwill will be considered on a case by case basis, but should not normally constitute more than a value of £250. However, there may be occasions when this amount may be exceeded but this will be at the discretion of MDH.
- 7.14 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 may be entitled to compensation or a goodwill gesture.
- 7.15 The Complaints Officer may authorise compensation, up to a maximum of £250. Higher payments must be authorised by a manager.
- 7.16 Compensation payments for delay and distress will be made based on the level of MDH's responsibility for the loss or inconvenience and the impact on the resident.
- 7.17 On occasions, MDH has the right to use discretion when awarding an amount, other than that stated in the matrix.
- 7.18 Discretionary payments include:
- Unacceptable delays in providing service which have resulted in serious distress or inconvenience to the tenant;
 - Unacceptable responses to uphold or partially uphold complaints which have caused distress, dissatisfaction or inconvenience;
 - Where a tenant has incurred additional costs as a result of a failure in service.
- 7.19 MDH may offer an apology in place of financial compensation. MDH may offer a lower financial payment dependant on the individual's circumstances and how they have been impacted. The matrix sets out the *maximum* payment that can be made:

	Impact on Tenant			
Level of Mid Devon Housing Responsibility	No Impact	Low Impact	Medium Impact	High Impact
None	£0	£0	£0	£0
Partial	£0	£25	£175	£250
Full	£10	£50	£250	£500

Low impact: The complaint has been upheld but there has not been significant inconvenience or distress caused. The impact has been no more than a reasonable person could be expected to accept and the compensation is a token in acknowledgement of MDH’s responsibility.

Medium impact: Inconvenience and/or distress has clearly been caused as a result of a failure in service. A repeated failure of a low impact event could result in the impact being increased to a medium impact.

High impact: A serious failure in service has taken place. This could either be due to the severity of the event or a persistent failure has occurred over a prolonged period of time or an unacceptable number of attempts to resolve the complaint have failed.

Goodwill gestures: Any member of staff is able to offer a goodwill gesture to residents who have received a poor service or have suffered inconvenience. Payments should take into account the level of stress, anxiety, frustration, uncertainty and inconvenience caused. This will include the severity, length of time, number of people affected and their individual circumstances. If a tenant wishes to accept a compensation offer, they should do so within 30 days of the offer, unless otherwise agreed. After this time, it will be up to the investigating officer’s discretion whether the offer is still available or a further review is required.

7.20 Accepting an offer of compensation at a stage 2 complaint does not prevent the Tenant escalating their complaint to the Housing Ombudsman if they feel that complaint has not been resolved to their satisfaction.

8 Situations where compensation will not be considered

8.1 There are certain circumstances where compensation will not be considered and these include:

- Claims for personal injury;
- Claims for damage caused by circumstances beyond MDH's control (e.g. through storm or flooding); or
- Problems caused by a third party not working for MDH.

8.2 Compensation would not normally be paid where any damage is covered under contents insurance. However where damage has been caused directly as a result of the actions or omissions of MDH or our contractors, consideration will be given reimbursement without the need for the tenant to make a claim at further inconvenience and cost to themselves where the facts are not in dispute.

8.3 MDH will not consider a claim of compensation where:

- The loss or damage was caused by a tenant, household member or visitor and includes failure to report a repair promptly or keep an appointment;
- The fault was unforeseeable and/or caused by a 3rd party or MDH had no control over it, such as a water leak from a neighbouring property;
- Possessions are lost, stolen or damaged through no fault of MDH;
- Items which have been unavoidably damaged by improvement works, such as installation of central heating which has unavoidably left holes in the flooring to accommodate new pipework;
- Service failure or damage is the result of extreme or unforeseen conditions such as weather; or
- Loss of the supply of gas, electricity or water which is outside of MDH's control.

8.4 Financial compensation would not be offered if the complainant had done any of the following:

- Failed to provide us with any information requested;
- Caused an unreasonable delay in any part of the process;
- Been abusive or threatening to our staff; or
- Rejected a transfer offer which we consider reasonable.

9 Payments

9.1 Claims for compensation or a goodwill gesture, due to service failures can be made via a service request before it reaches a stage one complaint. The relevant Office or Service Lead will decide on a case by case basis the most appropriate way to pay compensation. If the tenant owes money to MDH, the compensation will be credited directly to their rent account.

- 9.2 MDH may not use compensation to pay a debt if the compensation is meant to be used for a specific purpose, e.g. to replace a damaged item. However, if part of the compensation awarded is for distress or inconvenience, MDH may use this part to offset any debt.
- 9.3 If a tenant feels that the compensation payment offered has not been considered in line with this policy, they have the right to use MDH's Complaints Procedure.
- 9.4 If a tenant accepts an offer of compensation, they must notify us within 30 working days of the offer. If the tenant fails to notify us of their acceptance, we reserve the right to withdraw our offer of compensation.

10 Appeals/Disputes

- 10.1 Tenants have a right to dispute or appeal the compensation decision if they feel that MDH has not met its legal or statutory requirements, or if there is evidence that there has been a service failure.
- 10.2 Disputes can be dealt with informally by phone, email or letter, should a Tenant wish to discuss this with their Neighbourhood Officer or a Repairs Officer. Disputes can be formally dealt with as a service request. First time disputes or appeals cannot be dealt with as formal complaints in the first instance.

11 Complaints

- 11.1 We try to get things right the first time and when we do, we would love people to let us know. It's great for us to receive positive comments or feedback, so if people wish to complement our staff for doing a great job, we would love to hear from them.
- 11.2 If things do go wrong the Council is committed to:
- Dealing with complaints and comments quickly and effectively; and
 - Using complaints, comments and compliments to review and improve our services
- 11.3 When tenants contact us to tell us they are dissatisfied with the service we have provided, we will offer them the choice to have an informal conversation to see if we can put things right quickly, without the need for a formal investigation.
- 11.4 The Housing Ombudsman Service advise that a complaint must be defined as:

'an expression of dissatisfaction, however made, about the standard of service, actions or lack of action by the organisation, its own staff, or those acting on its behalf, affecting an individual resident or group of residents'.

- 11.5 Where a tenant considers that the council has given a poor service or has got something wrong, they may tell a member of staff in the first instance. This does not need to be treated as a formal complaint (unless the complainant asks us to do so) and may be resolved 'there and then' by way of an apology or plan of action. Any comments provided will be used to take appropriate action, or give information.
- 11.6 If a tenant does not want to do this or is unhappy with the response, they may make a formal complaint, which can escalate from stage 1 or stage 2 if they are still not satisfied with the response. Having been through stages 1 and 2 and they are still not satisfied, the tenant may contact the Housing Ombudsman Service.
- 11.7 MDH's complaints procedure is detailed on Mid Devon District Council website: [Feedback and Complaints](#)

12 Equality Impact Assessments

- 12.1 MDH complete an equality impact assessment each time we develop or review a policy, procedure or service. The assessment is to help us make sure our decision making is fair and does not present any barriers or disadvantage to customers from any protected group (including disability) under the Equality Act 2010.