

## DECENT & AFFORDABLE HOMES PDG

12<sup>TH</sup> SEPTEMBER 2017

### TENANT COMPENSATION POLICY – SHELTERED HOMES DECORATION

**Cabinet Member:** Cllr Ray Stanley

**Responsible Officer:** Director of Operations – Andrew Pritchard

**Reason for Report:** To advise members of the revised Tenant Compensation Policy

**RECOMMENDATION(S):** That the Cabinet adopts the revised Tenant Compensation Policy

**Relationship to Corporate Plan:** The Tenant Compensation Policy will manage requests for compensation in line with legal requirements and obligations.

**Financial Implications:** The financial liability for the implications that flow from this policy will be charged to the Housing Revenue Account.

**Legal Implications:** It will be necessary to ensure that the Tenant Compensation Policy addresses the legal obligations of the Council as a Landlord.

**Risk Assessment:** The scope of risk extends to the management of 3060 homes. for.

#### 1.0 Introduction

1.1 The Tenant Compensation Policy is due for review, having last been reviewed in May 2015. Very little has changed in the way we deal with tenant compensation, and as such, only minor changes are proposed.

1.2 The proposed policy has been altered to reflect the information in the new Tenancy Agreement and reflect the format of the MDDC website.

1.3 The proposed policy includes further information to clarify the position on compensation claims for external areas including sheds, outhouses and garages.

1.4 The proposed policy clarifies the position on items damaged during planned demolition works.

1.5 The proposed policy is designed to be in line with the Rechargeable Repairs Policy, in order that there is fairness in terms of what we expect from our tenants, and what they should expect from us.

#### 2.0 Tenant Consultation

2.1 The Housing 'Tenants Together' group have been consulted on this policy and their comments taken into consideration.

### 3.0 **Proposals**

3.1 There are no significant changes in the policy to propose, however, we propose that the reviewed policy is adopted.

### 4.0 **Implementation of the Tenant Compensation Policy**

4.1 Other than the change to the format of the policy, and clarification of key issues, the original Tenant Compensation Policy remains the same to ensure that our requests for compensation are dealt with and responded to consistently.

4.2 There are no additional resource implications as a direct result of this policy.

### 5.0 **Financial Context**

5.1 MDDC Responsive Repairs team make budgetary provision of £4000 per annum in order to settle eligible compensatory payments.

5.2 Within the annual budget there are sufficient monies to fund the current level of eligible compensation requests received each year.

**Contact for more Information:** Mark Baglow, Building Services Manager. Tel 01884 233011 or Andrew Pritchard, Director of Operations. Tel 01884 234950

**Circulation of the Report: Management Team, Councillor Ray Stanley, Cabinet Member for Housing**

# Mid Devon District Council

# **Building Services**

## **Tenant Compensation Policy – DRAFT**

**August 2017 v1.2**

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## **1. Policy Statement**

This policy will ensure that Mid Devon District Council (MDDC) has effective procedures in place to manage tenant compensation quickly and efficiently.

As a registered provider of social housing, we aim to provide our tenants with a high quality service at all times.

All complaints relating to service failure are investigated according to the procedures set out in our “Have Your Say” leaflet.

There may occasionally be cases when service standards have not been met and compensation for the tenant’s inconvenience or loss is the most appropriate and proportional course of action. In these cases, we recognise that the tenant may have a statutory right to compensation.

The council will publicise the Compensation Policy by including information for new tenants at sign-up, through advertising on our website and in our newsletters, and within the Tenants handbook.

We will review this policy on a bi-annual basis to ensure that its contents reflect current legislation and the latest examples of best practice in the field.

## **2. Policy Standards**

### **a. Statutory compensation**

This policy includes the statutory rights of our tenants to receive compensation, which includes:

- Home loss
- Disturbance payments
- The Right to Repair
- Compensation for tenants’ improvements

### **b. Discretionary Compensation**

Any discretionary award for activities or lack of performance not included within the Tenant Statutory Right will be processed as a formal service request. If a tenant remains dissatisfied with the outcome of a service request, this can be reviewed through the MDDC Complaints Policy. Where a tenant accepts any compensatory or good will gesture payment, this will end the formal process.

### 3. Statutory Compensation

Legislation exists to financially compensate tenants in a number of situations.

a. Home Loss

The circumstances under which payments relating to Home Loss will be paid are set out in our Decant Policy.

b. Disturbance Payments

The circumstances under which disturbance payments will be paid are set out in our Decant Policy.

c. The Right to Repair

Tenants may be entitled to compensation for a listed range of certain repairs or maintenance problems affecting health, safety or security if MDDC's Housing Service twice fails to complete the repair within the prescribed timescales.

In order to qualify under this scheme, the estimated cost of the repair should be £250 or less, and should be included in those listed in the Council's Right to Repair Policy.

Compensation under the Right to Repair will not be payable when:

- The repair has been inspected and attended to within set service standards, and the tenant has been advised that the relevant parts are on order.
- The repair is classed as rechargeable to the tenant
- There was no access at the time of the pre-booked appointment to do the work
- The actual repair required was not as described by the tenant.

There is a flat rate award of £10 plus £2 per day, for each day thereafter that the repair remains outstanding after the second report has been raised, to a maximum of £50.

d. Compensation for Tenants' own Improvements

Tenants have a contractual right to claim compensation at the end of their tenancy for 'qualifying improvements' they have carried out to their home.

Qualifying improvements that may be eligible for compensation are:

- Bath

- Wash hand basin
- Toilet
- Kitchen sink
- Storage cupboards
- Kitchen work surfaces
- Central heating or water heating
- Thermostatic radiator valves
- Insulation of pipes, water tank or cylinder
- Double glazing, secondary glazing or other window replacement

The following guidelines will apply when determining whether compensation is payable:

- Introductory tenants will not qualify for compensation
- Tenants must have submitted three estimates from bona fide contractors and have received written permission from the Council prior to starting work
- The work must have been undertaken to an acceptable standard by a competent and qualified contractor
- All relevant statutory approvals, building regulations, planning permission etc. have been gained and documentary evidence as such is available
- When a claim for compensation for Tenants' Improvements has been received, the council will arrange an inspection by a surveyor and make an assessment based on the cost of the improvement, its estimated total life and the value of the residual life of the improvement to assess the payment that should be made
- Compensation will not be paid where a mutual exchange has taken place
- Compensation will only be paid at the end of the tenancy, and will be set against any sums that are owed to the council
- Compensation will not be payable where the tenancy is ended through a possession order obtained through the County Court
- Compensation will not be payable if a tenant has exercised their right to Buy or) or where the tenancy passes from joint to sole names (or vice versa)

- The maximum payable is £3,000 and the minimum is £50 in line with legislation

#### **4. Circumstances where Claims for Compensation will not be met:**

- The loss or damage is a result of routine failure of a building's component, fixture or fittings where MDDC Housing has not been negligent.
- Where non-availability of parts or materials prevents MDDC's Housing Service completing repairs within the published repair timescales, and the tenant has been kept fully informed.
- Where service failure is the result of extreme or unforeseen conditions (such as weather conditions) where the council has taken all reasonable steps to restore services or facilities under the prevailing conditions.
- Where service failure is due to interruptions in gas, electricity or water supplies as a result of the non-performance of utility companies, or through the action of the tenant.
- Where the loss or damage is the tenant's own fault, including the failure to report repairs in a timely manner or to keep appointments.
- Where loss or damage is as a result of the tenant not noticing or reporting a repair.
- Where a tenant is informed in advance of an appointment for destructive works i.e. renewal of bathroom suite, plastering works or re-roofing and the tenant chooses to leave items in the area, or leaves items uncovered that subsequently get damaged.
- Where the loss or damage arises from an alteration or repair which the tenant has arranged privately or carried out them self.
- Where the loss or damage is due to acts of negligence by a third party, for example, a visitor or contractor who is not acting on behalf of the council.
- Where MDDC has acted reasonably and complied with its legal and contractual liabilities.
- From loss or damage to personal possessions stored in a council garage, outhouse, porch or shed.

#### **5. General**

##### **a. External Contractors Employed by MDDC**

MDDC will ensure that all contractors carry Public Liability Insurance and they have a clear and appropriate Compensation and Complaints Policy.



Where a claim is made in respect of personal injury, damage to possessions or other financial loss alleged to have been caused by a council contractor's negligence, the council will not accept liability for the claim, but will refer the claim to the contractor themselves.

b. Home Contents Insurance

Tenants are encouraged to have home contents insurance to cover their personal belongings and cost of interior redecoration in the event of damage.

MDDC Housing officers will promote and encourage the tenant to take up contents insurance during their contact with tenants, especially at sign up stage.

Garage tenants should advise their neighbourhood officer if they store anything other than a vehicle in the garage, in order that they can be advised that garages are not guaranteed water tight or secure storage. Any vehicle stored in a garage should be taxed/SORNed and insured, regardless of whether the vehicle is in use or not.

Should tenants choose not to take a suitable home contents insurance policy, they take responsibility for replacing items and redecorating at their own cost.

c. Independent Housing Ombudsman

This Compensation Policy does not apply where a tenant has made a claim for compensation via the Independent Housing Ombudsman. In such cases MDDC, where appropriate, will pay compensation as directed by the Ombudsman.

d. Legal Proceedings

With the exception of statutory compensation, the policy does not apply where a tenant has commenced legal proceedings.

All offers of discretionary compensation are made on a 'Without Prejudice' basis.

e. Payment of Compensation

Compensation payments will be made within 30 days of the offer being accepted by the claimant

f. Rent Arrears and Other Debts

In cases where discretionary compensation is due to a tenant but their rent account is in arrears, the compensation will be offset against any rent or other housing related debt on the tenants rent account EXCEPT in

cases where compensation is being offered to reimburse a direct financial loss or expense incurred by the tenant (for example replacement of a damaged personal household article)

g. Appeals

Appeals by tenants against a decision related to the payment of compensation can be made using the MDDC complaints procedures

**6. Policy Monitoring and Review**

The Compensation Policy will be reviewed every two years and reported to MDDC's Homes Policy Development Group Committee for approval

**7. Equality & Diversity**

MDDC will ensure that this policy is applied fairly to all tenants. The council will not directly or indirectly discriminate against any person or group of people because of their race, religion, gender, marital status, sexual orientation, disability or other grounds set out in our Equality and Diversity Policy

This policy and any other related publications of MDDC Housing Service can be provided on request in other formats (e.g. in an alternative language, in Braille, on tape, in large print).