

Paragon Asra Housing Limited

Compensation Policy

January 2019

Owning manager	Ian Watts
Department	Assets
Approved by EMT	11 January 2019
Next review date	January 2022

Contents		Page
1	Introduction	4
2	Objectives	4
3	Discretionary compensation	4
4	Making a claim	7
5	Statutory compensation	7
6	Training	9
7	Monitoring and reporting	9
8	Legislation	9
9	Linked policies	9

Paragon Asra Housing Limited (PA Housing) is committed to equality and diversity. This policy has considered the Equality Act 2010 and its protected characteristics which are: race, gender, gender reassignment, disability, religion or belief, sexual orientation, age, marriage, civil marriage and partnership, and pregnancy and maternity explicitly.

We will make sure that all of our communication is fully accessible and to achieve this if a policy or document needs to be available in other formats we will provide them.

AUDIT LOG

Date of Change	Who updated	Details of the change

1. Introduction

- 1.1 Paragon Asra Housing (PA Housing) is committed to delivering high quality and efficient services. We recognise the impact on our customers if our level of service drops below our agreed standards and we aim to be fair to any customer who incurs financial loss or inconvenience due to a service failure. In these cases we will consider compensation.
- 1.2 This policy applies to tenants and applicants for PA Housing's rented accommodation. It does not apply to members of the public who have no contractual relationship with PA Housing, or to PA Housing's shared owners or leaseholders. This policy covers both discretionary compensation which relates to loss, damage or inconvenience due to service failure or other faults, and statutory (obligatory) compensation.
- 1.3 If a customer wishes to claim compensation and needs help to do so we will support them in any way we can, but the claim must be made within 28 days of the incident taking place.

2. Objectives

- 2.1. This policy sets out the circumstances when discretionary compensation will be considered and also highlights PA Housing's statutory obligations to provide compensation.

3. Discretionary compensation

- 3.1 We will consider paying compensation if we have:
 - failed to meet our own service targets
 - failed to deliver a service which is paid for through a service charge
 - not acted reasonably
 - damaged personal possessions, OR
 - a tenant has been unable to use a room in their home
- 3.2 Compensation is not automatic and will not apply where the service failure or mistake has not caused any problems or where it can be easily remedied. The main aim is to replace items or remedy the problem by issuing vouchers, or apologising or agreeing to change procedures to put things right.
- 3.3 Compensation may be a sum of money, but the amount will be reasonable, justifiable and proportionate and based on personal impact. It will reflect the level of inconvenience, disturbance, stress or annoyance suffered and the extent to which PA Housing has been directly responsible. It will also take into account the time taken to resolve the problem and any costs incurred.
- 3.4 Compensation will not be given if:
 - a fault was repaired within the target time and to a good standard
 - PA Housing has acted reasonably and complied with its legal and contractual liabilities

- the fault was caused by a third party or PA Housing had no control over it, for example a water leak from a neighbour
- the contractors were unable to obtain parts or materials to complete the work; there were extreme weather conditions and the contractors advised the resident that additional work was necessary to complete the repair
- planned improvements were agreed with the resident, unless the works took longer than expected
- the loss or damage was the resident's own fault, including the failure to report the repair promptly or to keep appointments
- damaged items were removed or replaced before PA Housing could view them
- evidence is not provided to justify any claims for out of pocket expenses
- the claim is to compensate for time off work.

3.5 The policy does not cover compensation claimed for an alleged effect on a resident's health, or a member of their household's health, due to a failure of PA Housing's services. Any resident who wishes to seek financial compensation because they believe that their health has been affected should notify us. We will inform our insurers and the claim will be investigated appropriately.

3.6 The table below shows how the value of compensation will be assessed:

Level of impact to customer	Inconvenience caused	Value of compensation	Authorisation level
Low	One instance of mild inconvenience directly caused by PA Housing	Up to £20	Member of staff
Medium	A succession of service failures and/or the problem is not resolved within a reasonable timescale	£20 -£100	Manager
High	Serious or prolonged service failure or loss of facilities resulting in severe stress, disruption, inconvenience or loss of income	£100 plus. Cash compensation is limited to a maximum of £500.	Senior Manager

3.7 Examples of compensation to rectify service failures are:

- DIY vouchers will be given for decorations damaged by our contractors.

- We will replace a carpet if we have damaged it.
 - If we fail to notify a new resident of a delay to their proposed letting date within 48 hours of the date, we will make a one-off payment of £25, except if the delay is outside our control, e.g. vandalism.
 - If we have failed to deliver a significant service paid for through a fixed service charge, we will take into account the charge for the service; the disruption caused and how long the service was unavailable. The charge will then be adjusted in the following year. In exceptional circumstances material errors in fixed charges will be addressed during the year.
 - For variable service charges, service failures will be credited and carried forward in the accounts or reimbursed to the residents after reconciliation of the accounts.
 - Where there is a loss of heating, we may provide an alternative temporary form of heating. Where this is more expensive to operate, we will pay £3 a day for the additional fuel or utility costs. This can be reviewed in exceptional circumstances.
 - Where a de-humidifier is provided to dry out a property following a leak or a flood, we will pay the running costs.
 - If a room is not habitable because of disrepair, major works or improvements, compensation will be paid after seven days of continued loss of use. Our guidelines are a weekly amount of £20 per bedroom or living room and £50 for a kitchen or bathroom. We may pay an additional sum to compensate for out of pocket expenses which have resulted from the loss of this room. An example would be a sum towards the additional costs of food or eating out if the kitchen is unavailable for use.
 - Alternative accommodation will be provided, including bed & breakfast if there is nothing available in PA Housing's stock, where damage or the work to rectify the damage means that a significant portion of the property is uninhabitable. In most cases, if suitable alternative accommodation is offered and refused, the resident will waive the right to compensation.
- 3.8 Residents are encouraged to take out home contents insurance for their furniture, decorations and personal possessions, to insure them against accidental damage, loss, fire or water damage, burglary etc. Where a resident's possessions are damaged through building failure which is not covered by their own insurance, compensation for the damaged possessions will be paid if it can be shown that PA Housing was at fault.
- 3.9 The decision to make a compensation payment in the form of cash in relation to how we have handled a complaint will be taken by the senior manager dealing with the complaint at stage 2. This compensation will take into account whether the complainant has had to spend excessive time, effort or inconvenience pursuing the complaint, but will not be paid for time taken making lengthy written complaints or providing substantial or repeated items of evidence.
- 3.10 Rent arrears will only be written off if there have been significant delays in notifying residents of the arrears, e.g. over 12 months where residents pay through a monthly standing order; insufficient amounts collected for over 6 months by direct debit; or residents not advised of the correct rent increase.

4. Making a claim

- 4.1 If a customer wishes to claim compensation and needs help we will support them in any way we can, but the claim must be made within 28 days of the incident taking place unless there are exceptional circumstances. A claim can be made by any method including by telephone, in writing, in person at our offices or during a home or site visit by a PA Housing staff member, or through an advocate or family member. Written claims should be of a reasonable length. Excessively long claims and written evidence will not be considered.
- 4.2 Claims will be dealt with efficiently, sympathetically and promptly to reduce distress and potential further dissatisfaction. Our aim will be to make a decision within ten working days. Where this is not possible, the customer will be contacted and kept informed.
- 4.3 If the customer asks for the compensation to be reviewed, this will be dealt with under stage 2 of the Complaints policy. We will not normally review at stage 2 the level of compensation paid under stage 1 of the Complaints policy.
- 4.4 PA Housing's insurers will be informed immediately of any incidents which may give rise to a possible personal injury claim. Any claim for compensation in relation to impact on health will immediately be passed to the insurers.
- 4.5 Where any unreasonable damage or loss occurs when PA Housing's contractors are carrying out work to the property, PA Housing will ensure that the damage is made good and will assist the resident if they wish to claim against the contractor.
- 4.6 Any money owed by the resident, such as rent arrears, court costs or rechargeable repairs, will be deducted from any cash paid in compensation, unless the compensation is for loss or damage. Cash compensation will not be paid to residents who are under notice to leave their property.
- 4.7 Any offers of discretionary compensation are made on the basis that it does not constitute an admission of legal liability.

5. Statutory compensation

5.1 Right to Repair

Residents have a right to expect repairs to be completed within certain set timescales. In particular PA Housing wants to ensure that certain small emergency and urgent repairs that affect a resident's health, safety or security are completed quickly and easily. These are called 'qualifying' repairs and further details are given in the Maintenance policy.

Where these repairs cannot be completed within an agreed timescale the resident has a right to request PA Housing to instruct a second contractor to complete the work. Where this contractor also fails to complete the work within the agreed time PA Housing will acknowledge the inconvenience caused and pay compensation.

The compensation payable is £10. Another £2 per day is payable for every extra day, up to a maximum of £50. The compensation will not be paid if the resident fails to

provide access to the property.

5.2 Right to Compensation for Improvements

This applies to tenants at the end of their tenancy. Tenants may make alterations or improvements to their home provided that written permission has first been given by PA Housing. It is the tenant's responsibility to obtain any other necessary consents and to execute the work to a satisfactory standard.

Fixtures and fittings installed by a tenant become the property of PA Housing in the event of the tenant moving out, but where the specified improvements have been carried out with our permission, assured and secure tenants have the right to compensation when they end the tenancy, subject to depreciation.

Tenants can claim for the cost of materials and labour costs, but not for appliances and their own labour. The amount payable can be up to £3,000 for any one improvement but claims for under £50 in value will not be considered. Evidence must be provided in support of the claims. More details are provided in the Maintenance policy.

The compensation will be used to clear any rent arrears owing at the end of the tenancy and will not be payable to tenants who apply to purchase their home through the Right to Buy or Right to Acquire or where the tenancy is ended through possession proceedings.

5.3 Home Loss and Disturbance Payment

This applies when a tenant has to move from their home, (i.e. decanted) due to redevelopment, improvement works or demolition. It does not apply to repairs, including major repairs, or any other reason for a move.

The Home Loss Payment is set by statute and will only apply where the tenant has been living at the property over the last twelve months and is required to move permanently by PA Housing. It can be claimed up to six months after the move. The Home Loss Payment from 1 October 2017 is £6,100. The payment will only be made once the permanent move has taken place.

Home Loss Payments to leaseholders are also prescribed in S30 (1) of the Land Compensation Act 1973, as amended, but they differ to that of tenants and there is a minimum and maximum amount payable. This is explained in the Decant policy.

The Disturbance part of the payment covers the actual costs and reasonable expenses that occur as a direct consequence of the decant. Reasonable requests for the Disturbance Payment to cover out of pocket expenses associated with the move will be considered. Tenants will be required to produce written estimates from reputable contractors and the payment can include, but is not limited to, payment for removals, disconnection and reconnection charges and redirection of mail. Disturbance Payments will be made whether the move is permanent or temporary.

If the tenant is decanted temporarily and stays with friends, a Miscellaneous Allowance will be paid.

6. Training

- 6.1 We will carry out induction and refresher training for all staff to make sure that they are aware of this policy and of our commitment to excellent service delivery standards and targets. All managers will receive specific training to provide the skills and knowledge to comply with this policy.

7. Monitoring and reporting

- 7.1 Compensation payments are monitored as a means of improving service performance to customers and to ensure consistency of approach and appropriate use of compensation awards.

8. Legislation

- 8.1 The legislation covering statutory compensation is set out below:

- Section 30 of the Land Compensation Act 1973, as amended by the Planning and Compensation Act 1991 relates to Home Loss and Disturbance Payments. The Home Loss part of the payment is covered by the Home Loss Payments (Prescribed Amounts) (England) Regulations 2008 and these regulations will be checked before any payment is made.
- The Secure Tenants of Local Housing Authorities (Right to Repair) Regulations 1994 gives assured tenants the right to claim compensation if qualifying emergency and urgent repairs are not carried out within prescribed timescales. As a registered social landlord we are required to extend the same service to our assured tenants.
- A Right to Compensation for Improvements was introduced in 1994 as part of the Citizens Charter. Tenants whose tenancies are ending can claim compensation for improvements they have made to their home.

9. Linked policies

- Complaints
- Maintenance
- Service Charge
- Temporary Decant