



Compensation Policy and Procedure

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Policy

1. Introduction

- 1.1 The purpose of the Compensation Policy and Procedure is to ensure that legitimate claims by tenants are dealt with speedily and equitably without dispute or litigation.
- 1.2 Claims may be made by a tenant, leaseholder or other person claiming against us who have suffered actual loss through the actions of Gateway or our contractors. We aim to resolve the situation quickly and seek redress from the contractor where relevant.
- 1.3 Compensation will be paid if a tenant, leaseholder or other person substantiates that they have suffered actual loss, serious inconvenience or disturbance as a result of our inactions/actions or our contractor's actions.

2. **Compensation as a result of Service Failure**

2.1 **Aim of Compensation**

The aim of compensation is to return the tenant, leaseholder or person to the position where they would have been if the "wrong" had not occurred or if the "contract" that had been agreed, had been performed.

2.2 **Actual Loss**

Compensation will equate to the actual loss suffered, the value of which will need to be verified to our reasonable satisfaction.

When goods are damaged, then it is the value of the goods, at the time of their loss or damage, rather than their replacement value, which will be applied.

2.3 **Gateway may pay compensation in the following circumstances:**

- Major loss of or disruption to services for which the tenant pays a service charge, e.g. heating and hot water, lift, cleaning and caretaking.
- Prolonged loss of the use of part of the accommodation subject to the tenancy, e.g. a top floor room affected by a roof leaking.
- Damage to a resident's possessions or internal decorations resulting from a service delivery failure.
- The cost of electricity used by our contractors alone.

2.4 **Admission of Liability**

We will not admit liability at the point of claim. We may admit liability after an investigation has taken place, except where the principle has been agreed in advance e.g. in the case of Home Loss.

2.5 **Final Payments**

Final payments of compensation will be "in full and final settlement" and possibly also "ex-gratia" (without admitting legal liability).

Generally, offers will not be made, as this implies a negotiation; payments will be determined and made.

If a claimant does not accept the payment, then this is their choice.

- 2.5.1 No payments will be made to residents who owe Gateway money. If a resident owes Gateway money, compensation payments will be:
- credited to the rent account;
 - used to clear the debt e.g. court costs or service charge debts.
 - any remaining balance will be paid to the resident by cheque.

Procedure

1. **Scope**

The procedure applies to tenants, leaseholders and shared owners to which the general term "Resident" applies. There may be other people such as neighbours who are not our residents who may be affected by our actions and who may be eligible for compensation. The procedure does not cover Home Loss and Disturbance payments.

2. **Claims**

2.1 The Receptionist will log Compensation Claim Forms or letters claiming compensation onto the Correspondence file, acknowledge in writing and forward to the relevant Head of Service on the day of delivery.

2.2 The relevant Head of Service will oversee the management of a compensation claim including collating any relevant background documentation.

2.3 All claims must be in writing; staff may advise claimants, but may not assist by writing a claim or filling in a Compensation Claim Form.

2.4 Claims should preferably be made by completing the Compensation Claim Form or by letter or email.

2.5 Staff will not admit liability at the point of claim.

2.6 Written responses to Compensation Claims will be made within 10 working days. If this is a holding response then a time scale for a closing response should be included.

2.7 **Notification and Receipt of Claim**

When a claim is made or there is notification of a potential claim, the Housing Services Advisor or Surveyor must visit as soon as possible and at the latest within five working days, with a camera. Claimants must be advised not to throw relevant items away or acquire replacements until a staff member has visited and inspected, as this may jeopardise the claim.

The officer must:

- take a written record of the apparent cause of the claim;

- record in writing the damage;
- take an inventory of damaged items;
- take photographs of damage to the accommodation and damaged items;

2.8 Evidence

Photographic evidence provided by the claimant will be considered. Receipts should be provided and used to support the claim.

2.9 Theft

Alleged theft of possessions by Gateway appointed contractors must be reported to a relevant manager immediately.

2.10 Gateway Insurance

Staff should consider whether a claim could be covered by our liability insurance. If there is any doubt, the matter should be discussed with their manager and the Head of Finance.

All claims against our insurance must be registered by us within 30 days of the event claimed for, via the lead member of staff dealing with Insurance.

3. Calculating Set Compensation Payments

3.1 Introduction

Set compensation payments will be made where the level of service falls below published standards.

Compensation is offered in recognition of the loss and inconvenience caused to a resident and will be paid in the following circumstances. Consideration has been taken both from benchmarking with the social housing sector and from the Local Government Ombudsman's guidelines on compensation with specific referral to their guidance published in February 2005 *Remedies; Guidance on good practice 6* which is the most recent publication of its kind. The Housing Ombudsman Service had never published anything similar nor since merger with the Local Government Ombudsman in 2015.

Item	Compensation Category	Circumstances	Amount
1	Full or Partial Loss of Use of Rooms Because of Disrepair	Rooms no longer fit for use due to disrepair resultant from Gateway/ contractor failure. Loss of communal areas access e.g. stairs, landings, play areas, communal gardens not counted. Resident behaviour may lead to	Reduction in rent calculated based on number of habitable rooms divided by weekly rent: <u>Uninhabitable Rooms</u> Total Rooms in Dwelling

		uninhabitable rooms and unacceptable living conditions. In such situations compensation will not apply and tenant recharges may be applicable.	(excl. bathroom & kitchen) x Weekly Rent
2	Service Charges (SC) – Failure to Deliver	Service not provided >14 days & loss or inconvenience suffered.	Charge refunded to resident rent account within 20 working days of service resumption; rebate from day 1. Lessees get annual adjustment to SC a/c.
3	Lift & Entry Phone	Additional to SC delivery failure where lift or entry phone remains faulty & inoperable.	£10 per week / part week.
4	Heating & Hot Water	Where one / both lost alternative heating provided.	1 Oct – 31 Mar: £3 per day. 1 Apr – 30 Sept: £2 per day.
5	Loss of Kitchen or Bathroom	Where tenant remains in occupation but kitchen / bathroom unavailable due to service / repair failure.	£10 per day each authorised occupant until useable.
6	Failure to meet Repair Priority Level	Incomplete Emergency repairs >24 hours, Urgent repairs >5 working days. N/A to Routine repairs.	Flat rate of £10 and £2 each day with ceiling of £50.
7	Broken Appointment	Payable automatically by contractor / Gateway >1 hour late.	£10 per each missed appointment
8	Service Failure	Recognising the inconvenience of the consequential loss	£25 if reasonable and evidenced.

4. Damage to Residents Possessions

- 4.1 Residents are expected to have their own contents insurance and to claim against this in the first instance. If a person does not have cover and there is damage to their possessions an assessment of landlord or agent fault to be undertaken. If there is landlord responsibility the aim is to return the resident to the position they were in before the damage or loss took place. Items are valued at current market value, not as new.
- 4.2 There is a general duty in law for claimants to “mitigate their loss”, i.e. take action to ensure that any loss is minimised, e.g. by moving possessions away from a leak.
- 4.3 The tenant must make a claim in writing, preferably using the Compensation Claim form.
- 4.4 In the case of damage to carpets and decorations it is always necessary to consider if cleaning would suffice, in which case the compensation is for the cost of cleaning (unless we organise and pay for it).
5. **Refunds**
Any refund of rent will take the form of a payment by cheque and should not be combined with any additional compensation payment.
6. **Payment Method**
All payments will be made by cheque within **10 working days** of the award being made. No payments will be made to residents who owe Gateway money as per para 2.5.1 in Policy.
Compensation payments will be charged to Account Code D7055/E7055 (Tenant Compensation).
7. **Appeals**
This procedure should be read in conjunction with the Complaints Policy and Procedure.
If a resident is dissatisfied with the compensation awarded and the relevant Line Manager is satisfied the amount awarded is appropriate, then the claimant can utilise the Complaints system to appeal the award.
8. **Monitoring and Reporting**
In order to assess the effectiveness of the policy, the:
- Heads of Service to maintain statistical data to establish the nature and outcomes of compensation claims.
 - Reports will be submitted to EMT on a periodic basis by Directors/Heads of Service.

End