

# **Compensation and payments policy**

**Directorate Responsible: -**

**Approval Date: -**

**Review Date: -**

Operations

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Three yearly

## **Compensation and payments policy**

### **1 Introduction**

- 1.1 Cross Keys Homes (CKH) is committed to ensuring that our residents receive a quality and timely service in which they have a high level of confidence and satisfaction. There will, however, be occasions where CKH fails to meet its own high standards and where compensation for loss, damage, unreasonable delay, major disruption, and inconvenience will be appropriate.
- 1.2 This policy sets out CKH' approach to compensation to ensure a consistent and fair treatment of all claims and to identify clearly the circumstances under which CKH will make compensation payments to residents. But since compensation is complicated by the issues of fault and liability each case will be considered on its merits and in conjunction with the complaints and feedback procedure.
- 1.3 This compensation and payments policy does not affect a residents' statutory right to compensation under the Right to Repair, the Right to Compensation for Improvements and home loss payments/disturbance payments.
- 1.4 Residents are responsible for insuring furniture, belongings and decorations against fire, theft, vandalism, burst pipes and other household risks. CKH have a 'pay as you go' scheme with an insurance provider which offers residents special low cost rates.

### **2 Policy statement**

- 2.1 CKH aims to ensure that all services to residents are provided to mutually agreed standards. Where the service does not meet the required standards, CKH will consider the payment of compensation to those residents affected.
- 2.2 CKH aims to undertake repair and improvement work to properties within published timescales and with minimum disruption to the resident. There may, however, be occasions where it is necessary to move residents temporarily in order to undertake major work to their homes because of the scale of the work involved.
- 2.3 In circumstances, where a resident is required to move permanently, CKH will pay compensation under the Home Loss scheme.
- 2.4 **Discretionary or ex gratia payments**  
Compensation will be considered in the following circumstances where:
  - A resident has been unable to use a room or rooms due to disrepair, repairs have been reported to CKH but the room or rooms are still unavailable to use.

- Reimbursement for non-provision of a service where the resident pays a service charge and where CKH fails to provide the service
- A resident has submitted an insurance claim against CKH' insurers which has been turned down and was caused by an action other than the resident's, then CKH would consider an ex-gratia payment in exceptional circumstances. An example of this might be that after a contractor had finished work, the tenant insists that something has been affected in their home and is no longer working as a result of the visit. (The fish in the tank have died five days after a visit by a contractor who interrupted the power supply for a few moments or there is a mark on the carpet which was not there previously). These and other 'exceptions' will be looked at individually and each case decided on its own merits.
- No payment will be considered where neglectful actions or behaviour has been a contributory factor by the tenant or where any breach of tenancy has occurred. An example might be failure by the tenant to report a slow leak which subsequently damages the floor coverings.

## 2.5 **Statutory payments**

- A resident has carried out improvements to his or her home with the written consent of CKH in line with the Right to Compensation for Improvements
- A resident is required to move in order for major works to be carried out on their property and removal expenses are incurred
- CKH fails to carry out qualifying repairs within the prescribed timescales and reasonable access has been provided
- CKH fails to carry out non-qualifying repairs to dwellings within the pre-set target dates and reasonable access has been provided
- A resident is required to move permanently through redevelopment by CKH

For full details of how CKH will implement its compensation and payments policy according to varying circumstances, refer to appendix one.

## 3 **Statutory rights**

- 3.1 This policy does not affect the resident's statutory rights including the Right to Repair and the Right to Compensation for Improvements.
- 3.2 Insurance and personal injury – CKH has liability insurance, which may pay if a resident suffers loss or personal injury due to negligence. In such cases the matter will be referred to CKH's insurance providers.
- 3.3 Contractors – where a contractor, acting on behalf of CKH, has caused any damage or loss, CKH will assist the resident to make a claim against that contractor. CKH will ensure that all contractors carry public liability insurance but since in most cases CKH is not present at the

time the damage or loss has occurred, the ultimate responsibility to pursue a claim will rest with the resident.

- 3.4 Housing Ombudsman – this compensation and payments policy does not apply where a resident has made a claim for compensation via the Housing Ombudsman. In such cases CKH, where appropriate, will pay compensation as directed by the Ombudsman.
- 3.5 Legal proceedings - this compensation and payments policy does not apply where a resident has taken, or is intending to take legal proceedings.
- 3.6 Payment of claims - if a decision is taken to pay compensation in accordance with this compensation and payments policy then it will be paid within two weeks of the decision being made.
- 3.7 Rent arrears and other debts – in instances where compensation is due to a resident whose rent account is in arrears or where other monies are owed to CKH the compensation sum will be deducted from the debt. This is because a breach of tenancy has occurred and it is not appropriate to pay compensation direct to the tenant without addressing any existing breach (i.e. rent arrears). CKH reserve this right to withhold payment and any compensation will be offset.

#### **4 Responsibilities**

- 4.1 The designated person responsible for the implementation and monitoring of this compensation and payments policy will be the director of operations.
- 4.2 The compensation and payments policy will be openly available to all residents via our website; [www.crosskeyshomes.co.uk](http://www.crosskeyshomes.co.uk)

#### **5 Consultation**

- 5.1 The review of this policy will be conducted with staff involved in the delivery of this policy, with senior managers through the management team and with residents through the policy review group.

#### **6 Implementation review and monitoring**

- 6.1 CKH will formally review this compensation and payments policy every three years. The need for an annual review will be monitored by the director of operations where significant changes in legislation, regulation or good practice have occurred, to enable documents to remain current and reflect best practice.
- 6.2 The board will receive an annual report reviewing compensation and payments presented at the same time as the annual complaints and customer feedback report.

6.3 Annually, CKH sets aside a budget for compensation payments. This is managed and monitored by the head of housing and the annual amount is agreed as part of the overall executive team and board review of the annual budget proposals.

6.4 All claims will need to be approved by the director of operations. Where there is no budget provision, a report on the case will be prepared for CKH board.

## **7 Related documentation**

This policy should be read in conjunction with the following:

- Complaints and feedback procedure
- Complaints policy

## **Appendix one**

### **Implementation of the compensation & payments policy**

#### **1. Loss of use of part of property**

CKH will calculate the payment by reference to the number of rooms affected as a proportion of the net rent. Where a contractor has failed to undertake a repair or the repair has proved defective, CKH will recover any compensation paid from the contractor.

#### **2. Loss of service**

CKH will calculate the payment due by calculating the number of days the service was not available multiplied by the service charge period.

#### **3. Discretionary Ex-gratia payments**

A payment can be made taking into account the full exceptional circumstances of the case, the age and condition of the resident's personal property when damage occurred or other circumstances or failures as set out in 2.4

#### **4. Removal expenses**

Where a resident is required to move in order for major works to be undertaken to their property, or as a result of demolition or improvement, CKH will offer assistance towards the resident's removal expenses, including the reasonable costs of:-

- A removal company
- Disconnection/reconnection charges for electricity, gas, telephone and washing machine
- The redirection of mail for a maximum of a three month period
- Miscellaneous expenses such as replacement/relaying of carpets, replacement of curtains, replacement or adaptation of fitted units

Where a resident is moving temporarily, CKH will assist with removal expenses both to and from the temporary accommodation and meet the other expenses listed above.

## **5. Home loss payments/disturbance payments**

In some cases, residents may qualify for a home loss payment. This is payable where:-

- The move is a permanent one, and;
- The move is necessitated by the redevelopment or demolition of the property (not simply major repairs) and;
- The resident has lived in the property as their only or principal home for a minimum of one year immediately before the move, and;
- The claim must be made in writing

The amount available under home loss payment is determined by Government regulations.

Disturbance payments are paid to renting residents who have to move temporarily (decanting) or permanently to cover the costs of moving whilst a property is being redeveloped, or undergoing major repairs/works that cannot reasonably be completed with the resident in occupation.

## **6. Right to Repair**

CKH will honour the Right to Repair provisions of section 121 of the Leasehold Reform and the Housing and Urban Development Act 1993.

CKH is required to comply with the right to repair scheme, which gives residents a right to be compensated if certain small, urgent or emergency repairs likely to affect their health, safety and security costing less than £250 are not carried out within specific time limits. These are defined as 'qualifying repairs' under regulations issued under the above acts. The list of qualifying repairs and timescales (the maximum number of working days they should take to be completed) will be included in the repairs handbook.

Where CKH fails to carry out any qualifying repairs within the prescribed timescales and reasonable access has been provided, compensation will be paid. Payment will not be made if the resident has failed to allow access to the contractor or the repair is not completed because of matters outside of CKH's control ie extreme weather conditions.

## **7. Right to compensation for improvements**

Residents can claim compensation for certain specified improvements which they have carried out during their tenancy. They will only qualify for compensation if they have submitted three estimates from bona fide contractors, have received written permission from CKH for the work to be undertaken and the work undertaken is to an acceptable standard and inspected by CKH. If improvements are made without supplying three estimates and receiving the prior written approval of CKH, compensation will not be payable.

Account is taken of the notional life of the improvement and any compensation applicable is paid only when the tenancy comes to an end. This does not include residents who exercise the right to buy or right to acquire as compensation is expressly precluded in such circumstances.

Certain restrictions apply to entitlement to the payment of compensation. These include that it would not be payable when entitlement would be less than £50, or where a tenancy has ended because the resident has exercised the right to buy, or a possession order for the property has been awarded by CKH. There is an upper limit of £3000 for any one improvement.

The improvements that residents can make to their home for which they may receive compensation are as follows:

	<b>Notional Life</b>
Installation of bath or shower	12-years
Installation of wash basin	12-years
Installation of WC	12-years
Fit kitchen sink	10-years
Fit kitchen units	10-years
Fit work surfaces for food preparation	10-years
Installation of space or water heating	12-years
Fit thermostatic radiator valves	7-years
Insulation of pipes, water tank or cylinder	10-years
Loft insulation	20-years
Cavity wall insulation	20-years
Rewiring or the provision of power and lighting or other electrical fittings (including mains operated smoke detectors)	15-years
Any object which improves the security of the dwelling house but excluding burglar alarms	10-years

## **8. Scale of payment**

The amount of compensation payable will be subject to an upper limit and a formula to calculate the payment taking into account the life of the improvement.

**9. Other related documents**

Complaints and feedback procedure

Complaints policy