

Compensation Policy	
Approved by Board	Issue number 12 & Version number (if any)
Approved date November 2024	Review date November 2026
Previous Version N/A	Responsible Officer Director of Housing/Director of Care and Supported Housing

1.	Aims and Objectives
1.1	The purpose of this policy is to clearly outline the circumstances under which Hightown Housing Association (Hightown) will make compensation payments.
1.2	There are certain circumstances where Hightown has a statutory or contractual requirement to pay compensation e.g. Home Loss and Disturbance Payments, the Right to Repair, and the Right to Compensation for Improvements.
1.3	Other circumstances in which Hightown may consider a claim for compensation are set out below.
1.4	Where an incident has given, or is likely to give, rise to a liability claim on Hightown's insurers, the insurers will be consulted before any acceptance of liability or offer of compensation is made.
2.	Types of Compensation
2.1	<u>Service Provision</u>
2.1.1	Where a tenant has variable service charges, any significant loss of service for which payment is made through the service charge (for example cleaning, gardening) would be taken into account when calculating the following year's service charge for rented properties, as any savings from a reduction in payment to a contractor for poor performance would be carried forward.
2.1.2	For leasehold and shared ownership properties, any savings from a reduction in payment to a contractor for poor performance is reflected in the annual accounts, with any over-recovery being refunded to the leaseholder or shared owner either immediately or by applying the credit to the following year's budget.
2.1.3	Hightown will not offer refunds on schemes with resident scheme managers or caretakers for a lack of service during annual leave entitlement, short term sickness,

	absence from the scheme in order to attend external meetings or training, or whilst any performance management procedures are being followed.																					
2.2	<u>Loss of Rooms</u>																					
2.2.1	Compensation for loss of rooms will only be payable where Hightown is responsible for repair works that have caused the room(s) to be out of use, and where alternative accommodation has not been offered or provided. Compensation, where payable, will be in the form of a rebate.																					
2.2.2	<p>Calculation of Rebate: A rebate will be applied where part of a home is uninhabitable and a room(s) is out of use for 3 full days or more, and will be calculated on the following scale:-</p> <table style="margin-left: 40px;"> <tr> <td>Kitchen</td> <td>=</td> <td>30% reduction in the net rent per day</td> </tr> <tr> <td>Bathroom</td> <td>=</td> <td>20% reduction in the net rent per day</td> </tr> <tr> <td>Living Room</td> <td>=</td> <td>20% reduction in the net rent per day</td> </tr> <tr> <td>Bedroom 1</td> <td>=</td> <td>20% reduction in the net rent per day</td> </tr> <tr> <td>Bedroom 2</td> <td>=</td> <td>15% reduction in the net rent per day</td> </tr> <tr> <td>Bedroom 3</td> <td>=</td> <td>15% reduction in the net rent per day</td> </tr> <tr> <td>Bedroom 4</td> <td>=</td> <td>15% reduction in the net rent per day</td> </tr> </table>	Kitchen	=	30% reduction in the net rent per day	Bathroom	=	20% reduction in the net rent per day	Living Room	=	20% reduction in the net rent per day	Bedroom 1	=	20% reduction in the net rent per day	Bedroom 2	=	15% reduction in the net rent per day	Bedroom 3	=	15% reduction in the net rent per day	Bedroom 4	=	15% reduction in the net rent per day
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2.2.3	Compensation is capped at 100%, i.e. for any combination of the above losses, compensation will not exceed 100% of the net rent charged.																					
2.2.4	In the event of the whole property being rendered uninhabitable, Hightown will assist the resident to find alternative temporary accommodation. If Hightown's insurers pay for the temporary accommodation they will not cover the cost of any rent loss to Hightown. Residents are expected to continue to pay their rent to Hightown while they are in temporary accommodation. Rent loss as well as other losses related to the incident may form part of the claim to Hightown's insurers, in the case of an insurable peril.																					
2.2.5	Where only part of the property is uninhabitable the rates outlined in 2.2.2 will apply and the rent loss will form part of the insurance claim.																					
2.2.6	Compensation will not be paid for loss of rooms in Care & Supported Housing shared accommodation short stay services which are subject to local Business Continuity Plans that determine Hightown's responsibilities.																					
3.	Exceptions																					
3.1	Compensation will not be paid for loss of rooms where the loss is due to negligence or damage caused by the resident, household members or visitors, the fault of a third party who has not been employed by Hightown or issues beyond Hightown's control, e.g. gas or electricity outage.																					
3.2	Compensation will not be paid for loss of rooms where alternative accommodation is offered or provided.																					
3.3	Hightown will not pay compensation in the event of loss of utilities.																					
3.4	Hightown will not pay compensation if a resident fails to give access, subject to reasonable notice, to Hightown or its representatives. Residents are responsible for providing up to date telephone and / or email contact details enabling Hightown to																					

	contact them to arrange access. Residents are expected to keep appointments agreed with them.
4.	Loss of Heating and Hot Water
4.1	Loss of heating only: Where Hightown is directly responsible for a primary heating source and it breaks down during the heating season (1st October – 31st March), Hightown will offer to provide temporary heaters.
4.2	Loss of hot water only: Where Hightown is directly responsible for the water heating source, and there is no alternative water heating (eg. back up immersion heater); compensation of 15% of the daily net rent will be paid from 72 hours from the time Hightown is notified until the repair is completed.
5.	Damage or loss of residents' belongings / home contents
5.1	Residents are responsible for insuring their belongings and are encouraged to take out home contents insurance. Advice is given on how to access insurance in sign up packs and residents' newsletters.
5.2	In most cases damage caused to personal property will not in any way be the responsibility of Hightown, and no compensation will be paid for any loss or damage caused; nor will Hightown replace any lost or damaged items. Hightown may assist the resident to explore possible sources of help from other agencies and charities in cases of significant financial hardship.
5.3	<u>Damage caused by a Contractor:</u>
5.3.1	If a contractor, or other persons undertaking work for Hightown, causes damage or loss to a resident's belongings, they are expected to reimburse the resident promptly for the damage caused. Payment may be made directly by the contractor through their public liability insurance or by way of an ex-gratia (goodwill) payment.
5.3.2	If an agreement cannot be reached quickly and in any event within 28 days, Hightown will intercede. Steps will then be taken to recover the monies from the contractor if appropriate.
5.3.3	If a Contractor fails to adequately compensate a resident or reimburse Hightown, their performance monitoring assessment will be affected. This could result in the contractor being removed from Hightown's approved list of contractors.
5.4	<u>Damage caused by Hightown:</u>
5.4.1	If a tenant reports that they have experienced a loss or damage to their belongings as a result of Hightown's action or lack of action (e.g. failure to carry out a repair within a specified time) the tenant must: - <ul style="list-style-type: none"> a) have reported the repair in the correct way b) be able to show that Hightown failed to take the appropriate steps to remedy the issue within the specified time c) have taken adequate steps to minimise further damage where possible (i.e. in the case of water leak, turned off supply or caught leaking water in a container) d) have allowed access for Hightown staff and/or Hightown's representatives

<p>5.4.2</p> <p>5.4.3</p>	<p>e) have reported the alleged loss or damage within 21 days of the alleged incident occurring</p> <p>f) provide an inventory of damaged items, including details of their age and value, provide receipts if possible and allow Hightown to inspect the items</p> <p>Hightown will not consider payment of compensation if its staff have acted reasonably and complied with legal and contractual obligations to carry out the repair. Provided that the resident has met the requirements of 5.3.1 above, Hightown will meet the reasonable cost of rectifying the damage.</p> <p>Where possible, any damaged items will be repaired and/or cleaned. In cases of complete loss or where it is not economic to repair, compensation will be calculated on the basis of the current residual value of the item(s), not new for old. That is the cost of acquiring a replacement item in the same age and condition at the time of the loss or damage</p>
<p>6.</p> <p>6.1</p> <p>6.2</p>	<p>Reimbursement for electricity costs</p> <p>Where a contractor needs to use a resident's electricity supply to carry out works within a property and the work requires extensive use of the electricity supply, compensation will be payable by the contractor. The contractor will agree the sums involved before using the electricity and make a payment to the tenant on completion of the works. Current tariff rates of electricity should apply.</p> <p>If a repair or pending repair results in significant additional use of the resident's electricity (e.g. use of a dehumidifier to dry out the dwelling), Hightown may meet the cost of the extra electricity consumed in exceptional circumstances, at the Manager's discretion. The amount of reimbursement payable will be calculated using the electricity consumption of the machine and the cost of electricity at the time. If the amount is disputed, the actual costs will be compared with the usual consumption of the same quarter of the previous year in order to take seasonal changes into account. Hightown will make payments at its discretion, compensation will not apply to circumstances beyond Hightown's control or the fault of the tenant e.g. a leak from an incorrectly plumbed-in washing machine.</p>
<p>7.</p> <p>7.1</p> <p>7.2</p> <p>7.3</p>	<p>Decanting during building work</p> <p>If a resident has to move permanently due to improvement or redevelopment works, they may be entitled to statutory Home Loss and Disturbance Payments.</p> <p>Home loss compensates for the loss of a permanent home due to redevelopment or demolition. Rights to home loss payment are contained in Section 29 of the Land Compensation Act 1973 and are amended by the Planning and Compensation Act 1991.</p> <p>To qualify for a home loss payment all the conditions listed below must be met:</p> <ul style="list-style-type: none"> • The displacement must be permanent • The displacement must be a consequence of improvement to the dwelling or redevelopment of the land • The resident must have occupied the dwelling as his/her only or principal home for a minimum of twelve months prior to being required to move, ending with the date of displacement • The resident must have been in occupation by virtue of an interest or a right to occupy the dwelling, e.g. tenant, leaseholder

7.4	In the case of Home Loss, the Housing Officer should fully explain the entitlement and provide the resident with a Claim Form.
7.5	The amount of Home Loss payable is set by Statutory Instrument, and Home Loss payment made will be at the prescribed amount at the time of the displacement. This must be checked via the legislation.gov.uk website.
7.6	Disturbance payments may be made to people who are required to move to another property temporarily or to people who have lived at a property less than twelve months and are required to move home permanently. This payment is for reasonable moving costs.
7.7	Disturbance Payments cover any reasonable expenses incurred in moving, e.g. the reasonable cost of removals, disconnection and reconnection charges and a cost towards the alteration of curtains and carpets. All residents required to move can claim this if they are moving temporarily or permanently.
7.8	Where Hightown supports the resident by arranging removals, payment will be made to the contractor and the resident will not receive direct payment for removals. They may be able to claim for other reasonable out-of-pocket costs related to the move.
7.9	If residents do not qualify for statutory payments, for instance during temporary decants during improvement work, then Hightown will pay amounts equivalent to disturbance payments under the statutory scheme.
7.10	Where tenants who live in a property subject to improvement wish to move permanently and there is no obligation to do so, no compensation or expenses will be paid and they will be treated as an internal transfer case.
7.11	All claims for disturbance payments must be supported by receipts or invoices.
7.12	During a temporary decant, the tenant will continue to pay rent for their permanent home, not the temporary accommodation.
8.	Right to compensation for failure to repair
8.1	Some existing secure and assured tenancy agreements include a contractual right to compensation for failure to repair, this only applies to “qualifying” repairs. This is a repair that would, in Hightown’s opinion, cost less than £250 and if not carried out, would jeopardise the health, safety, or security of the tenant. This does not relate to service chargeable repairs; see section 2.1.
8.2	To qualify for compensation, the repair will have not been completed by Hightown within the original target time set. Secondly the resident must have contacted Hightown and agreed a revised target date. Compensation will not be payable if a tenant fails to give reasonable access to Hightown or its representatives to carry out the works.
8.3	When placing the order with a contractor the next highest priority should be selected, i.e. a priority 2 repair should become a priority 1 repair.
8.4	If the repair is not completed by the agreed revised target date, the resident may claim compensation as detailed below.
8.5	Compensation will be paid to tenants at a rate of £10 for the first day and £2 per day

	<p>thereafter up to a maximum of £50 for a repair not completed under the procedure. The resident does not have any right to carry out the repair and will not be compensated for the cost of doing so.</p>
8.6	<p>Before a claim is approved the Repairs Team Supervisor or the Repairs Team Manager should investigate the claim to clarify why the work was not completed on time. For example if access was not provided by the resident no compensation will be payable.</p>
8.7	<p>Any claims for compensation under the Right to Repair should be referred to the Head of Asset Management and Sustainability for consideration.</p>
8.8	<p>If the repair was not completed on time because of the fault of the contractor, any compensation paid should be deducted from their final invoice.</p>
9.	<p>The right to compensation for improvements at the end of tenancy</p>
9.1	<p>Some existing secure or assured tenants have a contractual right within their tenancy agreement to be able to make improvements to their home subject to Hightown's consent being obtained before the improvements are undertaken.</p>
9.2	<p>In addition to this right, these tenants have the right to be compensated for designated improvements they carry out. The compensation is payable at the end of their tenancy. Although no longer a part of the Regulatory Framework since 1 April 2010, Hightown follows the principles set out in the Housing Corporation Circular 33/94 (Revised 2002); this provided the Right to Repair and Right to Compensation for Improvement schemes for tenants and states the notional life of the improvement.</p>
9.3	<p>Providing that the correct procedure has been followed by the tenant, the improvement is one of the above, and there is not less than one year of notional life left, compensation would be payable at the end of the tenancy. The tenant must advise Hightown of any improvements made and Hightown will then investigate to determine if they qualify for compensation.</p>
9.4	<p>Compensation for improvements will not be paid where it cannot be evidenced that the tenant obtained Hightown's express permission prior to the works being undertaken.</p>
10.	<p>Other compensation</p>
10.1	<p>In the case of a complaint from a customer about the way that Hightown has dealt with a matter, where that complaint is upheld, the following staff have the discretion to award a payment as follows:</p> <ul style="list-style-type: none"> • Complaints and Resolution Officer - up to £200 in total. • Complaints and Resolution Manager and Heads of Service - up to £600 in total.
10.2	<p>This is to cover reasonable costs that have arisen, and time, distress or inconvenience in bringing a complaint, not otherwise covered in detail by the compensation policy.</p>
10.3	<p>A Director may authorise compensation relating to a complaint of up to £2000.</p>
10.4	<p>The Chief Executive may authorise compensation relating to a complaint of up to £5000.</p>

10.5	The Board may approve compensation or payments as a gesture of goodwill above these amounts.
10.6	Any claims for any personal injury compensation will be referred to Hightown's insurers. No compensation will be offered until the insurance claim has been dealt with by the insurers.
11.	Methods of payment
11.1	Compensation of £10 or less will not be payable.
11.2	If the tenant/leaseholder's rent account is in arrears Hightown will seek their agreement for some or all of the compensation to be credited to the rent account in order to reduce or clear the arrears. In the case of compensation being paid following a formal complaint, the payment will be made directly to the tenant/leaseholder; it will not be credited to the rent account.
11.3	Compensation will be paid upon receipt of confirmation from the tenant/leaseholder that they wish to accept the payment.
11.4	Payments will only be made directly to the tenant/leaseholder and not to any third party. Payments will be made via bank transfer or by cheque. No cash payments shall be made.
11.5	Payments for lack of service will be made to the service charge account and not direct to the resident.
12.	Right of appeal
12.1	If a resident feels their claim for compensation has not been dealt with appropriately they can follow Hightown's complaints process.