



City of London Housing Service

Compensation Policy

Approved:	
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1. Equal opportunities

The City of London Corporation operates an Equality & Diversity policy and this applies to all aspects of its services. We will ensure that no resident or service user is treated less favourably on the grounds of age, race, religion or belief, disability, sex, gender reassignment, sexual orientation, pregnancy or maternity, marriage or civil partnership status. This policy and all related information can be made available in different formats and languages on request.

2. Aims

We are committed to providing excellent services that meet agreed service standards.

The aims of this policy are:

- To provide a framework for the recompense that may be due to a customer where we fail to meet our own service standards or provide a poor service and a customer suffers an injustice or harm because of this failure.
- To assist staff in balancing the needs of the individual with a recognition that all compensation paid by the Department of Community and Children's Services will be funded by public money, in particular rent and service charges from all residents.

3. Legislative and regulatory framework

The Secure Tenants of Local Authorities (Right to Repair) Regulation 1994 (Please see Appendix 2).

This policy has been developed with regard to the Housing Ombudsman Service's previous decisions and with regard to good practice amongst other practitioners.

4. Scope of the policy

The policy covers the City of London Housing Service's residents - including tenants, leaseholders and freeholders of its social housing estates. In exceptional circumstances, it may also apply to non-residents, subject to the Assistant Directors' discretion.

5. Introduction

In most cases we can resolve complaints by:

- Apologising for the failure.
- Providing the service asked for.
- Changing the service provision or procedures for future use where a complaint has highlighted that a change is required.
- Reconsidering a decision which may have caused injustice.

In exceptional circumstances, where the situation cannot be rectified by apology or practical action; a means of compensation may be appropriate. The types of service failures that may trigger compensation, whether caused by City of London staff, or contractors or agents acting on our behalf, are as follows:

- Failing to deliver /provide a specified benefit, service or other entitlement.
- Loss of amenities.
- Loss or damage to personal property.
- Where a customer has incurred an expense as a result of our failure to provide a service.

Compensation will only be considered where it is clear that a service failing or a consequence of action or inaction on our part has caused injustice and harm to the resident and that compensation would offer an appropriate form of remedy.

6. What is compensation?

Compensation may take three forms:

- Direct replacement of items or payment to the value of those items.
- A goodwill gesture such as flowers or vouchers.
- Financial recompense for actual loss or in recognition of the significant distress and inconvenience caused.

7. When may compensation be considered?

Compensation may be considered at any stage in our complaints process – our complaints policy promotes resolution of the situation as rapidly as possible.

The event giving rise to the consideration of compensation should have occurred within the last six months. An exception may be made if there has been continuous contact with the resident or delays in bringing the matter to a conclusion have been as a result of actions (or inaction) by those working for the City. Compensation in respect of an event that happened more than six months previously should only be considered in exceptional circumstances.

8. Factors that will be taken into consideration

Compensation is discretionary. Each case is different and will be considered on its own merits. Staff may discuss the situation with the resident, and their views as to what would be an acceptable remedy will be taken into account.

The following will be taken into consideration when considering a compensation payment:

- **Money not paid**

Where money due to the resident has not been paid, the City will pay the money due.

- **Quantifiable Costs**

Where the resident may evidence incurred costs which would not have been necessary but for the service failure or maladministration, reimbursement of those costs is appropriate. The exception to this is where the resident takes action which incurs cost whilst a situation is on-going, without first raising this with the City.

- **Loss of a non-monetary benefit**

The resident may have been deprived of a non-monetary benefit, such as a service or amenity which under normal circumstances they would have received. An attempt should be made to quantify the loss of such benefits, to determine the amount of compensation due. It may be possible to base this on what it would have cost the City of London Corporation to make the appropriate provision for the relevant period or what value may be put on the facility.

- **Loss of value**

Where something owned by the resident has lost value as a result of the department's actions, an objective assessment of the loss may be possible. The matter may be referred for assessment where appropriate by an independent valuer.

- **Maladministration**

Maladministration is usually considered to be a fault with the way something has been done or not done, rather than the decision or outcome. It may occur where an organisation has failed to act reasonably in accordance with the law, its own policies and generally accepted standards.

- **Distress and Inconvenience**

In exceptional circumstances, compensation may be considered for distress or inconvenience. All the relevant circumstances will be considered, including the severity of the inconvenience, the length of time involved and the number of people affected.

It is important to note that severe inconvenience may be caused over long periods of time without fault – for example where the City are engaged in legitimate and timely repairs. In such instances, this does not warrant compensation if the City has managed the problem in a fair and proper way, for example, in accordance with our policies and procedures.

Please see Appendix 1 for examples of amounts of compensation that may be appropriate.

9. Who may offer compensation?

All members of staff are empowered to consider an offer of compensation and are encouraged to speak to their line manager where they think it may be appropriate.

The Estate Managers, the Customer Services & Support Manager and the Repairs & Maintenance Manager may authorise compensation to the value of £30.

The Head of Estates and the Head of Asset Management & Maintenance may authorise compensation to the value of £250.

The Assistant Directors may authorise compensation to the value of £500.

Any values above £500 would need to be discussed at a Departmental Leadership Team meeting which includes the Director of Community and Children's Services.

10. Offer of Compensation

Where an offer is made, it should be made clear to the intended recipient and confirmed in writing that it will be *'in full and final settlement'*.

Where a resident is reluctant to agree to this, it is good practice to discuss with them their reasons why. For example, if an aspect of the complaint has not yet been completed, the resident may wish to wait until all is resolved before agreeing. In exceptional circumstances, this requirement may be waived.

11. Offsetting Compensation

Any offers of financial compensation will be offset against arrears of rent, service charges or any other debts owed to the City of London Corporation Housing Service.

In exceptional circumstances, the Assistant Director of Housing & Neighbourhoods and the Assistant Director of Barbican & Property Services have the authority to override the offsetting against debts at their discretion.

12. Policy Exceptions:

This Compensation Policy will not apply in the following circumstances:

Legal: matters which are the subject of former, current or future legal action. It must be ensured that the compensation request is directly related to the legal matter before taking this decision.

Insurance: matters covered by the City of London's insurance policies or a resident's own household contents insurance policy.

13. Related Strategies and Policies

Complaints Policy

14. Monitoring the policy

The expenditure incurred through this policy will be monitored to seek information about service failures and use that information to adapt the service where necessary.

Appendix 1: Examples of Compensation Amounts

All service failures and requests for compensation are different and will be considered on their own merits in accordance with our policies, including the Compensation Policy.

The information provided below is to help officers to assess how much compensation may be due in different types of circumstance, and to provide a benchmark to ensure compensation for similar types of service failure is considered fairly.

The City is under no obligation to pay the compensation amounts outlined in this policy.

1. Distress and Inconvenience

We are aware that for any person to have had cause to make a complaint, they will have suffered some inconvenience or distress. In exceptional circumstances, or cases where disproportionate levels of distress and inconvenience have been caused, it may be appropriate to provide a goodwill gesture such as flowers or gift vouchers up to the value of £30. It may be appropriate to talk to the resident about what they would appreciate.

2. Missed Appointment – failure of contractor to attend appointment

If one appointment is missed, no compensation is due.

If more than one appointment is missed, or a second appointment is required because the contractor attended the first appointment but was unprepared, the value of £10 per missed appointment may be appropriate. The officer considering the complaint may add a further amount of up to £20 if there are other relevant factors, for example if the customer has suffered a high level of distress and inconvenience.

3. Failure to set up direct debit details correctly leading to rent arrears

If the City of London Corporation fail to set up a direct debit arrangement correctly, a tenant's account will go into rent arrears. Whilst the responsibility to pay rent lies with the tenant, where they think the arrangement is in place they may not check. Should a resident receive correspondence regarding rent arrears, the department will explain and resolve the situation.

Should there be a repeated failure, crediting some of the rent owed would be appropriate, linked to the amount of time that the failure had occurred. For example, if the direct debit had taken more than 6 months to resolve, the credit of an amount equivalent to 2 week's rent in recognition of the service failure, the distress and the inconvenience may be appropriate.

4. Failure to administrate steps in the Right to Buy process within published timescales

If the City of London Corporation fail to meet these timescales, and there is no negative impact on the sale, then no compensation would be due.

If we fail to meet these timescales and a negative impact is caused, then the City should look at the impact and determine what compensation may be due. For example, if a mortgage that

had been arranged is no longer available to the resident, we should recompense any fees charged for that mortgage arrangement.

5. Failure to place a bid on Choice Based Lettings on behalf of a person

If the City of London Corporation had agreed to place bids on appropriate properties on behalf of an applicant, and on a particular property we failed to do so, if the data shows that the applicant would not have won the bid, there is no negative impact and no compensation is due.

However, if the applicant would have had sufficient priority to win the bid and be offered first choice on the property, the service failure is more serious. In addition to an apology and an explanation, compensation or a goodwill gesture of up to £50 may be appropriate. It may be appropriate to talk to the resident about what they would appreciate.

Further Information

There are examples of case studies, the findings made by the Ombudsman and the levels of compensation paid on the Housing Ombudsman website:

<http://www.housing-ombudsman.org.uk/learning-faqs/case-studies/>

Appendix 2 – Right to Repair

This document provides a summary of The Secure Tenants of Local Authorities (Right to Repair) Regulation 1994.

The Right to Repair is a statutory compensation scheme. Therefore the process and amounts are not subject to discretion. The scheme only applies to 'qualifying repairs' including insecure windows and doors, unsafe power sockets or electrical fittings, leaking roofs and broken entry phone systems.

A repair only qualifies if the City of London Housing Service is responsible for it and it is estimated to cost less than £250.

If a resident states a repair should be subject to the scheme, we may inspect it before we decide. We should write to the resident to confirm if the scheme does not apply.

When a resident reports a qualifying repair, and we have confirmed it qualifies, we must issue a repair notice to a contractor and send the resident a copy with information on how the right to repair scheme works. The time limit for the contractor to do the work will be set by our established timescales for completing that type of repair.

If the repair work is not done within that specified time limit, the resident must bring that to our attention and request another contractor to do the work. We must then issue a repair notice to a second contractor, subject to procurement restrictions, and send the resident a copy.

If the second contractor does not do the repair work within the policy timescales, the resident must be paid £10 in compensation. For every extra day the repair is not done, the resident must be paid another £2. The most compensation that must be paid for any one repair job is £50.

If the resident is not at home to let the contractor in as arranged, the scheme no longer applies.

The compensation may be used to reduce rent arrears if there are any.