



City of London Corporation
Department of Community & Children's Services
Housing Service

Compensation Policy

Approved by:	<i>Housing Management & Almshouses Sub-Committee</i>
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1. Introduction

Compensation is often requested as a resolution to complaints, or in response to damage to goods caused by the alleged negligence of City of London employees or agents. This policy outlines our approach to dealing with requests for compensation from our residents.

2. Aims of this Policy

The aims of this policy are:

- To provide a framework for the compensation 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 a material loss 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 from the Housing Revenue Account.

3. Scope

The policy applies to residents living on City of London Housing Service estates which are managed as part of the Housing Revenue Account (HRA), namely:

- tenants (including sub-tenants of leaseholders)
- leaseholders
- freeholders
- occupiers of City of London and Gresham Almshouses properties

In exceptional circumstances, this policy may apply to non-residents, subject to the Assistant Directors' discretion.

4. Policy Statement

Paying financial compensation, or compensation in kind, is an exceptional course of action and will only be considered if other outcomes are not deemed appropriate. In most cases it is reasonable to 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 been unreasonable or unfair

In exceptional circumstances, where the situation cannot be rectified by apology or practical action, 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 of, 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 a service failing, or a consequence of action or inaction on our part, has caused material loss or harm to the resident and compensation would offer an appropriate form of remedy.

5. Compensation for Loss of/Damage to Goods

This policy is not intended to cover situations where an insurance claim is a more appropriate solution. If a resident believes that they have suffered loss or damage to goods and this was due to the negligence of the City's staff, agents or contractors, an insurance claim will normally be the most appropriate course of action (whether on their own policy or a relevant policy held by the Housing Service).

Please see the Insurance Cover and Claims Policy for more information.

6. What is compensation?

Compensation is taken to mean something, typically money, which is given to someone in recognition of loss, suffering or injury.

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. Compensation in respect of an event that happened more than six months previously will only be considered in exceptional circumstances. 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.

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 considered.

The following will be taken into consideration when considering making 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 can evidence incurred costs which would not have been necessary but for the service failure, reimbursement of those costs may be appropriate. The exception to this is where the resident incurs costs unreasonably.

- **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 is 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.

10. Offer of Compensation

Offers of compensation will be made in writing and expressed to be *'in full and final settlement'* of the matter.

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.

13. Policy Variations

In exceptional circumstances, we may consider making a variation to this policy. Our reasoning can be provided to the affected parties on request.

14. Monitoring and Performance

We will monitor our use of this policy and the way in which it is implemented, ensuring that any relevant information is reported at appropriate intervals.

15. Training

We will provide all staff responsible for implementing this policy with comprehensive training as required.

16. Equality and Diversity

This Policy has been subject to a full Equalities Analysis and will be implemented in accordance with our responsibilities and duties under relevant legislation, including the Equalities Act 2010.

17. Accessibility

We will ensure that tenants' needs are considered when implementing this Policy to ensure that they are treated fairly. We will make appropriate arrangements to ensure that customers with distinct communication needs are not unreasonably and disproportionately affected. This could involve providing communications in alternative languages or formats, or providing interpretation or transcription as appropriate.

18. Data Protection and Information Exchange

We will comply with our obligations under relevant data protection legislation and regulations. We will process and store personal information securely.

There are some circumstances in which we are required by law to disclose information given to us.

19. Policy Review

We will review this policy at least every three years, or following relevant changes to legislation, regulation or policy.

20. Legislation

- Secure Tenants of Local Authorities (Right to Repair) Regulation 1994

21. Related documents

- Complaints Policy
- Insurance Cover and Claims Policy
- Disposal of Personal Property Policy
- Tenants' Agreement and Handbook

<p>Department of Community & Children's Services</p> <p>Housing Service</p>	
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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 £50. 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 £25 per missed appointment may be appropriate. The officer considering the complaint may add a further amount of up to £50 if there are other relevant factors, for example if the customer has suffered a high level of distress and inconvenience. More compensation may be offered at the discretion of the Head of Service or Assistant Director.

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 claims a repair should be subject to the scheme, we may inspect it before we decide. We must 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.

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