

REPORT TO EXECUTIVE

Date of Meeting: 23rd September 2025

REPORT TO COUNCIL

Date of Meeting: 14th October 2025

Report of: Strategic Director for People and Communities

Title: Housing Compensation Policy 2025-2030

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

1.1 The report summarises the new Housing Compensation Policy 2025-2030. It is proposed that the revised Policy be adopted and implemented. A copy of the Policy document is appended.

2. Recommendations:

2.1 That Executive recommends that Council approve the adoption of the new Housing Compensation Policy for the period 2025-2030.

3. Reasons for the recommendation:

3.1 This policy ensures a fair and consistent approach to offering redress and awarding compensation when service failures occur. It aligns with the Housing Complaints Policy and the Housing Recharges Policy and complies with the guidelines required by the Housing Ombudsman.

3.2 Compensation is considered when other remedies are insufficient. The policy promotes fairness, proportionality, and consistency, considering each case on its merits.

4. What are the resource implications including non financial resources

4.1 We are sometimes obliged to provide compensation to tenants as part of orders from the Housing Ombudsman. Other smaller compensation amounts are awarded in line with the Housing Ombudsman's guidelines. All funds come from existing budgets.

5. Section 151 Officer comments:

5.1 Whilst there are no direct financial implications arising from this report, levels of compensation payments will be monitored and any budgetary issues reported to Members as part of the quarterly HRA budget monitoring reports or the annual budget setting cycle.

6. What are the legal aspects?

6.1 The Housing Ombudsman's compensation policy is statutory guidance. All guidance issued by the Housing Ombudsman has statutory effect in accordance with section 51ZA of the Housing Act 1996.

6.2 Under section 51ZA of the Housing Act 1996, the Housing Ombudsman is empowered to issue guidance to scheme members regarding good practice in housing activities. This guidance is binding on the basis that the Ombudsman can require scheme members to assess their policies and practices for compliance with the guidance. The purpose of the proposed Housing Compensation Policy 2025-2030 is to ensure compliance with the Housing Ombudsman's statutory guidance.

7. Monitoring Officer's comments:

7.1 Members will note the legal basis for the council's compensation policy in paragraph 6 above. The Monitoring Officer has no additional comments.

8. Report details:

8.1 The Housing Ombudsman recommends that landlords have a compensation policy. The following is taken from their website: [Compensation policy | Housing Ombudsman](#)

8.2 *'The policy should be clear that the aim of providing redress is to restore a person to the position they would have been in had the service failure not occurred. It should also emphasise that there are other remedies available to put a situation right but that in some instances, financial compensation may be the only and appropriate form of redress.'*

8.3 *It should set out to ensure that compensation payments are fair and proportionate. The document needs to recognise that each case should be considered on its individual merits and that discretion and common sense need to be applied, while promoting consistency. It should also recognise that responsibility will be taken for any detriment or damage caused to an individual or their property and belongings by a third party (contractor) working on the landlord's behalf.'*

8.4 The Housing Compensation Policy is designed to comply with this guidance.

8.5 The policy outlines when compensation should be offered to one of our tenants or leaseholders.

8.6 Compensation is credited to rent/service charge accounts unless specific conditions apply, Housing Ombudsman guidelines will be followed at all times.

8.7 The categories of compensation are clearly set out in the policy.

- **Mandatory Payments:** For home loss, disturbance, improvements, and Right to Repair.
- **Quantifiable Loss Payments:** For demonstrable losses like increased heating bills or alternative accommodation costs.
- **Discretionary Payments:** For time, trouble, distress, and inconvenience.

8.8 The policy is clear that compensation recognises the unique impact on tenants, considering vulnerabilities as defined in the Housing Residents' Vulnerability Policy.

8.9 Any compensation offered will comply with Housing Ombudsman findings, offering proportionate remedies, including non-financial and financial compensation.

8.10 Other actions as alternatives to compensation are detailed in the policy such as practical solutions or goodwill gestures, we have stated that we will have a flexible approach to remedy solutions, with each case decided on individually.

8.11 Compensation amounts are based on the severity and duration of service failures, considering any tenant or household member vulnerabilities.

8.12 The policy also sets out when compensation will not be paid.

8.13 This policy has been taken to our Tenants' Voice group and suggestions made by this have been evaluated then incorporated into the definitive version. It has also been taken to the Senior Management Board for their review.

8.14 As it is purely departmental and follows the guidelines as set out by the Housing Ombudsman and the Regulator for Social Housing, it is not a requirement for this policy that further, public consultation is necessary.

9. How does the decision contribute to the Council's Corporate Plan?

9.1 The delivery of the objectives within this strategy accord with the principles of being a well-run council as set out in the Corporate Plan. For example, value for money services and well managed assets.

10. What risks are there and how can they be reduced?

10.1 The Regulator of Social Housing will examine all our policies as part of their inspection regime, not having one in place could cause the service to be awarded a lower grade.

11. Equality Act 2010 (The Act)

11.1 Under the Act's Public Sector Equalities Duty, decision makers are required to consider the need to:

- eliminate discrimination, harassment, victimisation and any other prohibited conduct;
- advance equality by encouraging participation, removing disadvantage, taking account of disabilities and meeting people's needs; and
- foster good relations between people by tackling prejudice and promoting understanding.

11.2 In order to comply with the general duty authorities must assess the impact on equality of decisions, policies and practices. These duties do not prevent the authority from reducing services where necessary, but they offer a way of developing proposals that consider the impacts on all members of the community.

11.3 In making decisions the authority must take into account the potential impact of that decision in relation to age, disability, race/ethnicity (includes Gypsies and Travellers), sex, gender identity, religion and belief, sexual orientation, pregnant women and new and breastfeeding mothers, marriage and civil partnership status in coming to a decision.

11.4 In recommending this proposal potential impact has been identified on people with protected characteristics as determined by the Act and an Equalities Impact Assessment has been included in the background papers for Member's attention.

12. Carbon Footprint (Environmental) Implications:

12.1 There are no direct carbon/environmental impacts arising from the recommendations contained in this report.

13. Are there any other options?

13.1 There are no other options as the having a Compensation Policy is required under the Housing Ombudsman's Code of Practice.

Strategic Director People and Communities Jo Yelland

Author: Lawrence Blake

Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:-

1. [Compensation policy | Housing Ombudsman](#)

Contact for enquiries:
Democratic Services (Committees)
Room 4.36
01392 265275