

Exeter City Council Housing Services

DRAFT Compensation Policy 2025 – 2030

Version:	Created By:	Approved By:	Effective Date:	Review Date:
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1. Introduction

1.1 We in Exeter City Council Housing Services (ECC Housing) aim to provide excellent services to all our tenants. In some circumstances, we may make a compensation payment as a means of providing redress to restore a person to the position they would have been in had the service failure not occurred.

1.2 The aim of this policy is to ensure that we have a fair and consistent approach to offering redress and awarding compensation.

2. Policy Objectives

2.1 Our key priorities (from the Housing Strategy 2023-2027) are:

Priority 1: Enhancing Resident Experience

Priority 2: Providing the Right Homes in the Right Places

Priority 3: Providing Value for Money Services

Priority 4: Supporting our residents

Priority 5: Ensuring the Safety of our Homes and Residents

2.2 Within these priorities we have a number of key objectives for our tenants and leaseholders in respect of the way in which we respond to repairs and maintenance:

- Achieve and maintain the standards of living for our tenants and leaseholders
- Maximise our budget for repairs and improvements in our housing stock
- Use cost efficient methods to achieve the right balance of responsive and planned work
- Complete repairs within the timescales and to a high-quality standard
- Maximise the energy efficiency of our properties
- Ensure that our homes are in a safe condition.

3. Implementation of the policy

- 3.1 We recognise that there are other remedies available and these will be used to put a situation right but, in some instances, financial compensation may be the only and appropriate form of redress.
- 3.2 We want to ensure that compensation payments are fair and proportionate. We recognise that each case should be considered on its individual merits and that discretion and common sense need to be applied, while promoting consistency.
- 3.3 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 our behalf.
- 3.4 The Housing Ombudsman has made it a requirement that all registered providers have a compensation policy; this policy contains all the necessary elements as set out in their regulations.
- 3.5 This policy is designed to run alongside the Housing Complaints Policy and the Housing Recharges Policy.

4 Circumstances in which compensation will be issued

- 4.1 We will consider making an offer of compensation when an apology alone will not suffice, and we recognise the impact the service loss or failure has had on the tenant.
- 4.2 Compensation may be considered when we have failed to follow our own policies and procedures or there is a service failure.
- 4.3 When an offer of compensation is made, the complainant must respond to the offer within one month.
- 4.4 If money is owed to ECC's Housing Services (and the arrears are not covered by Housing Benefit or Universal Credit), we will credit any compensation to the rent / service charge account, unless an existing arrangement is in place and being adhered to.

We will not allocate compensation to rent arrears where:

- the arrears are in dispute
- the arrears are the subject of the complaint
- we have a legal obligation, such as a statutory Home Loss or Disturbance payment
- it would not be fair to do so – for example where a maladministration resulted in the arrears in the first place the resident has incurred additional 'out of pocket' expenses as a direct result of our actions or inactions – for example where a property requires major repairs to make it habitable and the resident had to pay for hotel accommodation as a direct result of us not

arranging the works needed or not offering them alternative accommodation whilst works were done

4.5 If the Housing Ombudsman requires ECC Housing to award compensation, then this will be treated separately from any existing financial arrangements and will not be offset against arrears.

4.6 We might make any discretionary offers of goodwill.

4.7 This Policy applies to all current & former tenants, leaseholders and customers and any other person we deem appropriate.

4.8 This policy separates compensation payments into categories and explains in what circumstances payments will be made.

5 Compensation Categories

There are three types of compensation payment:

- Mandatory (such as statutory home loss payments)
- Quantifiable loss payments (where people can demonstrate actual loss)
- Discretionary payments (for time and trouble/distress and inconvenience)

Below we set out explain in what circumstances these payments will be made.

Mandatory payments

Examples of mandatory payments include home loss, disturbance, improvements and payments under the Right to Repair scheme.

5.1.1 Home loss

Home loss payments may be made to tenants who have lived in their property for a minimum of 12 months and are required to move home permanently as a result of redevelopment or demolition of their home. Home loss payment is only payable where a displacement (move) is compulsory. The amounts of compensation are set in statute. These figures are updated annually; the revised figures usually take effect from 1st October each year.

5.1.2 Disturbance

Disturbance payments may be made to secure tenants who are required to move to another property temporarily or to people who have lived at a property less than 12 months and are required to move home permanently. This payment is for reasonable moving costs.

Disturbance payments cover 'reasonable expenses' incurred by the entitled person during moving.

5.1.3 Improvements

If a secure tenancy has ended and the tenant completed improvements to the property after 1 April 1994 they may be entitled to compensation for those improvements.

The right to compensation for improvements is subject to certain qualifying criteria and regulations contained in The Secure Tenants of Local Authorities (Compensation for Improvements) Regulations 1994 Statutory Instrument 1994 No. 613.

To qualify for compensation, the tenant must have:

- Requested and obtained, in writing, the Council's permission before carrying out the work.
- Retained all invoices relating to the work to determine the compensation payment.
- Where appropriate, provide evidence of having official permission(s) needed such as planning permission, building control, listed building consent etc.
- Request compensation during the last 28 days of the tenancy or within 14 days after the tenancy ends.

Qualifying improvements will be compensated by calculations based on a formula set by Government and will be paid on a sliding scale according to the expected life expectancy of the improvement.

We will not pay compensation to a tenant that we are evicting due to breach of tenancy conditions, where a tenant exercises their right to buy, where there is a mutual exchange, or where a new tenancy is granted at the same property to the qualifying tenant.

5.1.4 Right to Repair

The Right to Repair Regulations ³ covers specific repairs, known as 'Qualifying Repairs' which cost less than £250 and should be done within a set time limit by our service for our secure tenants. If these are not carried out within that time we may need to pay compensation.

5.1 Quantifiable loss payments

5.2.1 Some issues resulting in a complaint may have meant loss has been incurred by the complainant. This could include things such as increased heating bills due to disrepair, having to pay for take away food if the kitchen was out of action, or taking time off work and ECC staff or contractors not attending etc.

5.2.2 ECC will require supporting information to consider any quantifiable loss being claimed. For Leasehold properties we will only accept a claim from the Leaseholder, not anyone the property is let to, and any compensation will be in line with the service charges the Leaseholder is liable for.

Examples of quantifiable loss could include:

- increased heating bills due to disrepair,

- having to pay for alternative accommodation or take away food,
- paying for cleaning or
- carrying out repairs where we as a landlord have failed to meet our obligations
- replacement of damaged household items.

5.2.3 There is a caveat to the above that such costs must have been reasonably incurred and evidence of such loss has been provided, this could include photographs or receipts. In addition, the tenant must allow us or our contractors access to inspect and/or put things right in respect of repairs requested.

5.3 Discretionary payments

5.3.1 In certain circumstances ECC will offer discretionary compensation. The table below shows the circumstances that officers will take into consideration when deciding whether an order of compensation should be made. This is not a prescriptive list and should never be treated as such

5.3.2 Our staff will consider the cumulative impact of our or our contractors' failures in a case and any vulnerability of the tenant or their household, following our Housing Residents' Vulnerabilities Policy.

5.3.3 We will follow the most up to date Housing Ombudsman guidance on the level of compensation that should be paid:

[Guidance on remedies | Housing Ombudsman \(housing-ombudsman.org.uk\)](https://www.housing-ombudsman.org.uk/guidance-on-remedies)

Impact on resident	Circumstances
Minor Short duration May not have significantly affected the overall outcome for the resident Might include upset and inconvenience, time and trouble, disappointment, loss of confidence, and delays in getting matters resolved.	There was minor failure by ECC in the service provided and it did not appropriately acknowledge these and/or fully put them right. ECC may have made an offer of action/compensation, but it does not reflect the detriment to the tenant and/or is not proportionate to the failings identified by any Housing Ombudsman investigation
Moderate (Significant impact physical and/or emotional impact)	There was a failure which adversely affected the tenant. ECC has failed to acknowledge its failings and/or has made no attempt to put things right.

Impact on resident	Circumstances
	<p>Or ECC has acknowledged failings and/or made some attempt to put things right but failed to address the detriment to the tenant and/or the offer was not proportionate to the failings identified by any Housing Ombudsman investigation.</p>
<p>Substantial (Significant impact physical and/or emotional impact)</p>	<p>There was a failure which had a significant impact on the tenant. The circumstances for maladministration (as set out by the Housing Ombudsman) apply and the redress needed to put things right is substantial</p> <p>Or</p> <p>The circumstances for severe maladministration apply but the redress needed to put things right is at the lower end of that scale</p>
<p>Severe long-term impact</p>	<p>There have been serious failings.</p> <p>There was a single significant failure in service or a series of significant failures which have had a seriously detrimental impact on the tenant.</p> <p>ECC's response to the failures (if any) exacerbated the situation and further undermined the landlord/tenant relationship.</p> <p>ECC repeatedly failed to provide the same service which had a seriously detrimental impact on the tenant; demonstrating a failure to provide a service, put things right and learn from outcomes.</p> <p>The failures accumulated over a significant period (however this will not necessarily be the case as a single significant service failure may be sufficient).</p>

6 Vulnerabilities

6.1 We will ensure that any award of compensation recognises the fact that the emotional, physical, or reputational impact experienced by an individual tenant is unique to them. Not all tenants will experience the same impact in response to the same instance of maladministration. This might be due to their particular circumstances, or as a result of a vulnerability.

6.2 We will refer to our Housing Residents' Vulnerability Policy for definitions of vulnerability.

6.3 Compensation may be considered at any stage of our complaints process. As part of our approach to resolving complaints ECC may offer compensation if any of the following apply:

- Following investigation of the complaint, it is found that a service has seriously or consistently failed
- Services have not been delivered appropriately or within acceptable timescales
- Other methods to resolve the complaint, such as an apology and/or explanation are not considered sufficient, or our previous responses have been inadequate
- We as a service have taken an unreasonable amount of time to resolve the issues complained about
- We have dealt poorly with our complaint handling
- Our ECC policies or procedures have not been followed
- We have failed to provide a service that had been paid for
- Our tenants have not been able to use part of their home

6.4 Each case will be considered on its own merits. Any discretionary payments will generally be of low value and are part of restoring positive customer relations.

6.5 Some complaints may result in a goodwill gesture for incidents where monetary compensation would not be appropriate.

7 Compensation payments ordered by the Ombudsman

7.1 The Housing Ombudsman provides fair and proportionate remedies to complaints where maladministration or service failure has been identified. There is a wide range of proportionate remedies, including both non-financial

remedies and compensation. We will comply with any finding, unless we have specific Council agreement not to do so.

8 Other remedies

8.1 Other actions may be taken to remedy a complaint either separately from or in conjunction with an offer of compensation. These include practical actions (such as offering to undertake repairs or redecoration which would otherwise be a tenant's responsibility) and gestures of goodwill (e.g. vouchers, chocolates, flowers).

8.2 We have a flexible approach to considering different remedy solutions

9 Calculation of compensation

9.1 There are various circumstances in which a set amount of compensation will be offered such as:

- missed appointments,
- loss of a room and
- complete/partial loss of an amenity such as heating, hot water, power and lighting.

9.2 There are set parameters for discretionary payments of compensation dependent upon the severity of any service failure and associated impact. These are separated into categories 'minor,' 'moderate' 'substantial' or 'severe.'

9.3 We have identified the factors that are considered in deciding upon the appropriate award of compensation which includes the duration of the problem and extent or severity of the service failure.

9.4 We will always account for vulnerabilities and identify that any impact is worsened through disability, old age, or the presence of young children.

10 Situations where compensation will not be considered

10.1 Compensation will not be considered for the following:

- claims for personal injury
- claims for damage caused by circumstances beyond a landlord's control (e.g. through storm or flooding)
- problems caused by a third party not working for the landlord

- instances where any damage is covered under tenant's home contents insurance
- wilful or negligent damage caused by tenant, their household, or visitors.

10.2 Where damage has been caused directly as a result of the actions or omissions of our service or contractor working on our behalf, consideration should be given to reimbursement without the need for the tenant to make a claim at further inconvenience and cost to themselves, and in particular, where the facts are not in dispute.

11. References

Legal duties and statutory requirements:

- Housing Act 1985
- Equality Act 2010
- Landlord & Tenant Act 1927
- Health and Safety at Work Act 1974
- Local Authorities (Compensation & improvements) Regulations 1994
- The Localism Act 2011
- Social Housing Regulation Act 2024
- Regulator of Social Housing Consumer Standards
- The Housing Ombudsman's Complaint Handling Code
- The Secure Tenants of Local Housing Authorities (Right to Repair) Regulations 1994

[Compensation policy | Housing Ombudsman \(housing-ombudsman.org.uk\)](https://housing-ombudsman.org.uk/compensation-policy)

Related documents:

Knowledge & Information Management-report-v2-100523.pdf (housing-ombudsman.org.uk)

ECC Housing Strategy

ECC Tenancy Policy

Housing Residents Vulnerabilities Policy