



Compensation Policy

Lead Officer: Emma Morgan, Head of Housing & Support

Last Review: 2014

Next Review: 2026

DRAFT COMPENSATION POLICY 2023

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| Policy Owner | Emma Morgan, Head of Housing & Support |
| Date of Policy | 01 st December 2023 |
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| Version | 2 |
| Approved by | |

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| Version Control |
| Version 1 - Date December 2014 |
| Version 2 - Date December 2023 |

| Changes Made | Section | Date |
|---------------------------------|----------------|---------------|
| Whole policy has been redrafted | All | November 2023 |
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Introduction

Caredig aims to provide a high-quality service to all customers. We recognise the impact on tenants, residents, and all service users if our level of service drops below these standards. We aim to be fair to any customer that incurs financial loss or inconvenience due to a repeated service failure or by damage we are liable for.

This policy will ensure that compensation payments made by Caredig are reasonable, justifiable and proportionate and represent value for money for the organisation and wider tenant body.

Our Values

In applying this policy/strategy, we will be guided by our values. Our values determine how we behave towards our customers, our colleagues, our partners and our work: -

Kind - We recognise that relationships are at the heart of everything we do, at the heart of good relationships is kindness

Innovative – we continuously strive to be the best we can whilst seeking creative ideas to improve and grow

Trusting – We trust people to do the right thing, because good relationships are built on mutual trust and respect

Accountable – we accept the responsibilities of our role and are accountable for our actions and for doing what is right.

What is covered by the policy/strategy?

This policy sets out the circumstances when discretionary and obligatory compensation or redress will be considered and to clarify Caredig's position with regards to claims for compensation.

With regards to service failure, compensation should be used not because something went wrong, but for the failure to put it right. In particular:

- When circumstances prevent a tenant occupying their home;
- Where circumstances severely affect a tenant's enjoyment of their home;
- Where a gross failure of performance by Caredig is apparent.

This policy does not apply to:

- Members of the public who have no contractual relationship with Caredig unless negligence or nuisance .has been proved e.g. damage caused by Caredig staff or vehicle);
- Incidents that result in personal injury. These are dealt with as insurance claims.
- Legal disrepair claims, please refer to the Disrepair Policy for further information
- Rectification following planned improvements in a home e.g. an electrical re-wire

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- For claims to be considered, The statutory claim period is six years for claims that arise out of a breach of the occupation contract and 3 years for common law (tortious) claims.
- Service failure by external agencies e.g. utility companies, local authorities

Roles and Responsibilities

All members of staff have a responsibility to recommend compensation or good landlord payments but authorisation of payments must be considered in line with the SODA delegation of authority levels.

This Compensation Policy is intended to be applicable to and operated by all departments of Caredig.

Equal Opportunities

An Equality Impact Assessment has been completed.

References to other relevant policies and Procedures

- Concerns, Complaints & Compliments
- Fitness for Human Habitation
- ASB & Community Safety
- Disrepair

Compensation Procedure

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Compensation Policy Procedure

1.0 Introduction

This procedure sets out the differing levels of compensation and should act as a guide for staff.

In the normal course of events, all compensation payments will be made via BACS and any outstanding debts to Caredig should be automatically settled from any compensation awards.

In order to process a payment, the recipient of compensation is required to complete **Appendix 1 Compensation refund request form**. Once completed, the lead staff member will submit this and **Appendix 2 Compensation memo for finance** to the Finance team for payment.

2.0 Discretionary Compensation - Good Landlord Payment

Discretionary compensation known as the Good Landlord Payment is not an automatic entitlement. There may be occasions when Caredig does not have a legal or regulatory duty to pay compensation but it is recognised that it would be good practice based on what has happened. It will reflect the level of inconvenience, disturbance, distress or annoyance suffered by the event, the time it has taken to resolve matters and the extent to which Caredig has been directly responsible.

Examples may include:

- Failure to provide a service which is not a contractual obligation
- Failure to follow policy and / or procedure
- Poor complaint handling
- Unreasonable time taken when not a contractual obligation

The level of compensation or redress will be reasonable, justifiable, proportionate and reflect value for money for Caredig's tenants overall. Payments are only offered after sufficient investigation by the staff member as required by the Concerns, Complaints & Compliments Policy.

In keeping with the Caredig's Concerns, Complaints & Compliments Policy, staff are encouraged to identify cases and recommend a Good Landlord Payment at a reasonable and appropriate level where we have failed to meet our acceptable standards of service.

- Claims up to and including a total of £25.00 can be authorised by all staff levels
- Claims up to and including a total of £500.00 can be authorised at Operational Manager level

3.0 Compensation for Damage or Loss

Tenants should be advised of their responsibility to arrange their own contents insurance to cover the cost of replacing personal belongings and interior decorations in the event of unforeseen damage.

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All claims of this nature will be reviewed to assess if losses were caused by or arising from a breach of contract.

If making a claim of damage or loss believed to be as a direct result of the actions of Caredig or its representatives including contractors:

- Damaged goods must not be disposed of until a representative of Caredig has had opportunity to view, take photographs and assess.
- If Caredig is liable for damage or loss incurred, any claim paid will be assessed against the age, wear & tear of the item. Claims are not paid on a “New for Old” basis.
- We will not off-set the payment against debt owed to Caredig in cases where compensation is being offered to reimburse a direct financial loss or expense incurred by the tenant.
- Other quantifiable losses such as increased water bills, cleaning that have been incurred will be considered but will need to be evidenced.

4.0 Disturbance Payment

4.1 Decant

Where an tenant loses total access to their home due to maintenance and another home is being provided by Caredig, Caredig will meet the reasonable costs associated with the move(s), often referred to as a “Decant”. Reasonable costs can include:

- Removal costs
- Storage costs for an agreed amount of time
- Costs of connecting essential supplies
- A one-off inconvenience payment of £100

4.2 Permanent loss of home

Where an tenant loses total access to their home for example due the end of lease and another home is being provided by Caredig, Caredig will meet the reasonable costs associated with the move to a new home. Caredig will offer the tenant two options:

1. A payment to cover reasonable expected costs. The payment will be in line with market costs at the time of moving. As at 2023, average moving costs are £2000
2. The Housing Department will organise the move and deduct costs from the Disturbance Payment with the tenant receiving the remaining monies on completion of the move

Disturbance payments are to authorised at Head of Service Level.

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5.0 Compensation in respect of services provided by Property Services

| Issue | Guidance payments |
|--|--|
| Temporary installation of equipment e.g. dehumidifier, portable heaters | Flat £5 per day House £8 per day |
| Partial loss of a home due to essential maintenance work for one calendar week or more *Applicable to habitable rooms in frequent use and the loss of which would cause inconvenience | £25.00 per room per week* (Payable after day 7) |
| Temporary loss of home during essential works to home | Tenant stays in a hotel / B&B Hotel costs covered Meal allowance of £ 20 pppn Laundry costs £ 20 per week Inconvenience Payment £100 |
| Temporary loss of home during essential works to home | Tenant stays with a family member / friend £ 35 per night Inconvenience Payment £100 |

6.0 Compensation in respect of Contract or Housing Management Services

Compensation payable under the Renting Homes (Wales) Act 2016

Provision of Information – Where Caredig has not provided the requisite information to tenants in accordance with the time frames set out in the RHWA, the following sums are payable:

- Failure to provide a written statement within 14 days of the occupation date or change of Contract Holder – the sum equivalent to the daily rent for each day in default up to a maximum of two months' rent plus interest (currently 8% above Base Rate);*
- Failure to provide a complete RHW2 (Notice of Landlord's address) within 14 days of the occupation date – the sum equivalent to the daily rent for each day in default up to a maximum of two months' rent plus interest (currently 8% above Base Rate);*
- Provision of an incorrect or incomplete written statement - A Judge may award compensation of up to two months' rent plus interest (currently 8% above Base Rate);
- Failure to provide a written statement of variation within 14 days of the variation date (unless variation of secure contract done by notice procedure) – the sum

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equivalent to the daily rent for each day in default up to a maximum of two months' rent plus interest (currently 8% above Base Rate);*

* these sums can be increased to up to four months' rent if a Judge thinks the failure is intentional.

If Caredig is liable for any of these compensation payments, the Tenant Holder can withhold rent to the relevant amount.

Fitness For Human Habitation – If a property is determined to be unfit for human habitation either due to the failure to comply with one or more of the three mandatory requirements or because of the existence of one or more hazards which has rendered the property not FFHH, the tenant is not liable to pay the rent.

Possession – Estate Management Grounds – If Caredig obtains a possession order on one of the Estate Management Grounds (Ground C – Ground I (inclusive)) Caredig is obliged to pay a sum equal to the reasonable expenses likely to be incurred by the tenant in moving from the dwelling.

Note: this does not apply to Ground A or ground B

7.0 Obligatory Compensation

Home Loss Payment

If a tenant is required to move out of their home permanently and it is for redevelopment or improvement work (not just major repairs) then they may be entitled to a “home loss” payment of £6,200 under the Land Compensation Act 1973 as amended by the Planning and Compensation Act 1991.

A tenant may be entitled to a Home Loss payment (subject to meeting the statutory criteria) if Caredig is granted a possession order based on only ground A or Ground B of the Estate Management Grounds.

Home loss payments are set by statute and will only apply where the tenant has been living in the property over the last twelve months and is required to move permanently by Caredig. Consideration will be given to tenants if the 12 month residence period is the only requirement that is not met - Section 29(2).

Other occupiers of the property as well as the tenant may be entitled to a Home Loss payment depending upon their circumstances. For example, if the tenant is not living in the property but a spouse or partner is, they may be entitled to compensation.

Home loss payments are not applicable if Caredig is able to offer the tenant a suitable transfer as per the terms of the Allocation Policy to another Caredig home and the tenant agrees to move voluntarily. In this instance, a Disturbance payment as per section 4.0 will be offered.

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8.0 All other matters

Claims for compensation that are considered to fall outside of the criteria set out in the Compensation Policy and Procedure may only be considered by Head of Service and above.

Appendix 1 Compensation refund request form

PAYMENT WILL BE MADE DIRECT TO YOUR BANK ACCOUNT VIA THE BACS PAYMENT METHOD.

NAME OF ACCOUNT _____

ACCOUNT NUMBER _ _ _ _ _

BANK SORT CODE _ _ / _ _ / _ _

HOME ADDRESS: _____

TEL. NO: _____ D.O.B: _____

TENANT SIGNATURE: _____ DATE: _____

RETURN THE COMPLETED FORM TO:
43 Walter Rd
Swansea
SA1 5PN

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Appendix 2 Compensation memo for finance

Memorandum

To: Finance

From:

Date:

Subject: Compensation payment for ***

Budget code: 80-00 253-10

Recipient of compensation details

Name of tenant:

Address:

Tenancy reference:

Bank Details:

Name Of Bank:

Account Name:

Sort Code:

Bank Account:

[name and role of staff member arranging compensation]

Print name:

Role:

Signature:

Authorising signature

[name and role of staff member authorising compensation in line with SODA]

Print name:

Role:

Signature: