

Compensation Policy

1. Summary

- 1.1. SHAL is committed to providing good quality homes and services to all residents. However, we recognise that there will be occasions when customers may suffer some disadvantage, inconvenience or loss as a result of our actions or mistakes, and that in some instances compensation may be appropriate.
- 1.2. Compensation is not automatic and will not apply where the service failure or mistake has not caused any inconvenience and has been easily and quickly remedied. The level of compensation should be reasonable, justifiable and proportionate and reflect value for money for all SHAL's residents.

2. Objectives

- 2.1. This policy applies to all tenants, residents of SHAL and members of the public. It covers both discretionary compensation, which relates to loss, damage or inconvenience due to a failure in service and statutory (obligatory) compensation.
- 2.2. This policy will make clear the circumstances under which compensation will be paid, ensure fairness and consistency when calculating compensation and provide guidance on how and when compensation can be claimed.

3. Details

- 3.1. There are two types of compensation covered by this policy:
- 3.2. Statutory (obligatory) compensation
 - 3.2.1. SHAL are obliged to consider compensation in line with legislative requirements under the following circumstances:
 - 3.2.2. Home loss
 - a Home loss payments may be made to tenants who have lived in their home for a minimum of 12 months and are required to move

home permanently as a result of redevelopment or demolition of their home.

3.2.3. Disturbance

- a Disturbance payments may be offered to cover the losses or expenditure as a consequence of tenants who are required to move to another property either temporarily or permanently.

3.2.4. Right to repair

- a The Right to Repair Scheme covers small, urgent repairs costing up to £250, which if not carried out with a prescribed period of time, are likely to jeopardise the health and safety of the tenant.

3.2.5. Damage to residents' property

- a Compensation may be made when damage has occurred as a direct action or inaction of SHAL, and it would not be reasonable to expect the damage to be covered by a resident's home contents insurance policy.

3.2.6. Home Improvements

- a Assured tenants leaving SHAL who have completed improvements after 1 April 1994 may be entitled to compensation for a qualifying improvement. SHAL will only consider compensation for a qualifying improvement where prior permission for the improvement has been sought and granted and all terms of that permission have been met.

- 3.2.7. Any eligible compensation payments will be in line with depreciation and the condition of the improvement. Invoices for any work completed with the home improvement must be kept by the tenant and should be provided to SHAL when requested.

3.3. Discretionary compensation

3.3.1. Compensation may be made where there has been a loss of facilities, such as heating or hot water. Discretionary compensation payments may be made in the following circumstances:

- a Poor complaint handling
- b Delays in providing service i.e. completing a repair
- c Failure to provide a service that has been charged for
- d Temporary loss of amenity
- e Failure to meet target response times
- f Loss of use of a part of the property
- g Failure to follow policy and procedure
- h Unreasonable time taken to resolve a situation

3.4. Other remedies

3.4.1. SHAL may take other actions to remedy a complaint either separately from or in conjunction with an offer of compensation. These can 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).

3.4.2. Compensation may be made where there has been a quantifiable loss which 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 SHAL has failed to meet its obligations. Any such costs must have been reasonably incurred and evidence of such loss should be provided.

3.4.3. SHAL understands that the impact of a service failure could be worsened through disability, vulnerability or having young children in the household. We will always seek to understand the full extent of this impact during the course of any investigation into a complaint and/ or request for compensation.

3.5. Where compensation cannot be claimed

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 SHAL is registered in England and Wales as a Community Benefit Society and an exempt charity (number 27772R).

- 3.5.1. This policy does not cover the following claims:
 - a Claims that would usually be dealt with by our Insurers
 - b Those covered by SHAL’s liability insurance
 - c Any claim that should be covered by a home contents insurance policy, this includes damage through flood or fire to a resident’s belongings, i.e. floor coverings
 - d A claim for personal injury
 - e A claim for loss of earnings
 - f Where there is impending legal action
- 3.6. SHAL will not consider a claim for compensation where:
 - 3.6.1. The loss or damage was caused by a tenant, household member or visitor and includes failure to report a repair promptly or keep an appointment
 - 3.6.2. The fault was unforeseeable and/or caused by a 3rd party or SHAL had no control over it, i.e., a water leak from a neighbouring property.
 - 3.6.3. Possessions that are lost, stolen or damaged through no fault of SHAL
 - 3.6.4. Items which have been unavoidably damaged as a result of improvement works, i.e., the installation of a heating system has unavoidably left holes in flooring to accommodate pipework.
 - 3.6.5. The damaged items were removed or replaced prior to any claim for compensation being made.
 - 3.6.6. Service failure or damage is caused by extreme or unforeseen circumstances such as the weather.
 - 3.6.7. Loss of supply of electric, water or gas is outside of SHAL’s control.
- 3.7. All tenants and residents should ensure that they have sufficient home contents insurance to cover damage to their property through no fault of SHAL. Compensation is not intended as a substitute for home contents insurance.
- 3.8. Types of compensation payments
 - 3.8.1. Right to repair

- 3.8.2. This scheme sets out repairs which have to be completed within a certain period of time and includes:
- 3.8.3. Small repairs which can be done quickly and easily
- 3.8.4. Urgent repairs where there is a possible risk to health, safety and security.
- 3.8.5. The repairs which are covered by the Right to Repair are known as ‘qualifying repairs’ and cost less than £250 to carry out. They include:
 - a Loss of electrical power, gas or water supply (outside of SHAL’s control)
 - b No heating or hot water
 - c Blocked or leaking foul drain, soil pipe or toilet
 - d Blocked flues to boilers or fires
 - e Blocked sink or bath
 - f Leaking pipes and roofs
 - g Insecure windows or doors
 - h Door entry not working
- 3.8.6. If a Contractor working on SHAL’s behalf fails to carry out a ‘qualifying repair’ that has been reported on two separate occasions within the published repair timescales and the tenant has allowed reasonable access to the property, a one off compensation payment of £10 can be claimed, plus £2 for each day the repair continues to be outstanding up to a maximum of £50. This will not be payable if the delay is due to availability of a non-standard part and the tenant has been informed.

3.9. Home improvements

- 3.9.1. Assured tenants may claim compensation for improvements they have carried out to their homes when they are leaving. Prior permission from SHAL must have been sought and granted for a ‘qualifying’ improvement and tenants can claim for the cost of materials and labour costs, but not

for appliances or their own labour. The limit for any claim is £3000 and claims under £50 will not be considered.

3.9.2. Payments will be adjusted for wear and tear or if any defects to the improvement exist at the end of the tenancy. Compensation is worked out on the notional life of the improvement, divided by the cost of the improvement, minus the number of years left. i.e., improvement costs £500 and the notional life is 10 years. The tenant is moving out after 2 years - £500/10 years = £50 per year; 2 years = £100. £500 cost - £100 = £400 compensation.

3.9.3. Any claim for compensation for improvements must be made in writing between receipt of a valid Notice to Quit (NTQ) and 14 days after the tenancy has ended. Tenants must be able to provide receipts or proof of financial transactions to be eligible for any compensation. The improvement must still be in good condition and full working order.

3.10. Statutory home loss payments and disturbance allowance

3.10.1. Where a tenant is required to move permanently by SHAL, compensation will be paid in accordance with the statutory home loss regulation. This amount is set out in section 30 of the Land Compensation Act 1973 and is reviewed annually. The Land Compensation Act 1973 can be found here:

<https://www.legislation.gov.uk/ukpga/1973/26/contents>. It is in addition to reasonable compensation for disturbance and it is only payable to Assured tenants who have held their tenancy for at least 12 months. This payment will only be made once the permanent move has taken place and any monies owed to SHAL can be deducted beforehand.

3.10.2. Decanting is the terms used to explain the process when tenants are required to move from their homes due to works being carried out that cannot be completed whilst they are in residence. This includes when the tenant needs to move out because their home is being demolished

or disposed of, and when extensive structural or intrusive works are required. Decants can be separated in to two types:

- a Permanent Decant – when the tenant is required to move out of their home and there is no intention for them to return, i.e., part of a regeneration scheme.
- b Temporary Decant – when the tenant is moved out of their home to enable works to be carried out and the intention is for them to return. When deciding whether to temporarily Decant someone, factors such as the length and extent of the disruption, the cost, household makeup and the tenants wishes should be taken in to account.

3.10.3. Tenants may claim disturbance allowance for the actual costs and reasonable expense that occur as a direct result of the Decant. Tenants will be required to provide reasonable quotations from reputable contractors and claims may include payment for removals, disconnection and reconnections and redirection of mail.

3.10.4. Disturbance allowance may be made whether the move is temporary or permanent. It may not be claimed if the temporary move is a result of fire or flood as the tenant’s home contents insurance would be expected to cover such costs.

3.11. Loss of service

3.11.1. Where a tenant pays an extra charge for services, i.e., grounds maintenance or communal cleaning and that service fails for a continuous period of more than 7 days after it was due to be provided, the tenant will be entitled to compensation for the break in service.

3.11.2. The amount payable will be equivalent to the cost of the service as set out in the service charge schedule and will be credited and carried forward into their account or reimbursed after reconciliation of the accounts.

- 3.12. Each case will be considered for compensation on an individual basis and take into account all relevant known circumstances and supporting evidence. All reports of loss or inconvenience will be investigated and where appropriate compensation will be offered. Factors that should be taken into account when the level of compensation is considered include:
- 3.12.1. Where the tenant has contributed to the failure in service. This could be when there have been problems gaining access due to the availability of the tenant or delays in reporting the problem
 - 3.12.2. Costs have been incurred by the tenant that would not otherwise have been incurred.
 - 3.12.3. The level of stress or distress caused as a result of an action or inaction that has led to the claim for compensation. This will include the severity of the distress, the length of time involved and the number of people affected
 - 3.12.4. The amount of inconvenience (time and trouble) experienced by the resident and how much effort was required by them to resolve the problem.
- 3.13. Any compensation awarded must be appropriate and proportionate. To ensure consistency in the levels of compensation paid the matrix in Appendix 1 sets out the maximum values that should be awarded. These amounts are based on the level of our responsibility and the impact on the tenant.
- 3.14. Payments
- 3.14.1. Claims for compensation due to service failure can be made via a complaint. The member of staff investigating the complaint will decide on a case-by-case basis the most appropriate way to pay the compensation. If the tenant owes money to SHAL the compensation will be credited directly to their rent or recharge account.
 - 3.14.2. SHAL may not use compensation to pay a debt if the compensation is meant to be used for a specific purpose, i.e., to replace a damaged item.

However, if part of the compensation is awarded for distress or inconvenience, SHAL may use this to offset any debt.

- 3.15. If a tenant feels that the compensation offered has not been considered in line with this policy, they have the right to use SHAL's complaints policy.

4. Outcomes

- 4.1. Tenants will be fully aware of what a claim for compensation is, how they can make one and under what circumstances compensation is not payable.
- 4.2. Tenants will be clear about the need for them to take out home contents insurance and how this will be taken into consideration in the application of the policy.
- 4.3. Requests for compensation will be dealt with promptly and efficiently, and tenants will be kept informed.
- 4.4. Payments of compensation will be monitored by the Board
- 4.5. We will learn from and improve services as a result of complaints and/ or requests for compensation.

5. Consultation

- 5.1. A copy of this policy is available on our website to allow members of the public an opportunity to comment on its contents.
- 5.2. All tenants will be contacted to let them know of its availability online and a copy will be made available on request.
- 5.3. SHAL's involved tenant group will review the policy and suggest any comments and amendments to the board.

6. Equality and Diversity

- 6.1. We will treat all our customers fairly and equally. We will not, under any circumstances, discriminate against anyone because of:
- 6.1.1. Age
- 6.1.2. Being or becoming a transsexual person
- 6.1.3. Being married or in a civil partnership
- 6.1.4. Being pregnant or on maternity leave

- 6.1.5. Disability
 - 6.1.6. Race including colour, nationality, ethnic or national origin
 - 6.1.7. Religion, belief or lack of religion/belief
 - 6.1.8. Gender
 - 6.1.9. Sexual orientation
- 6.2. We will understand the different needs of our customers and we will ensure our services are accessible to everyone and will make reasonable adjustments for people so that they can make full use of this policy and process.

7. Value for Money

- 7.1. For SHAL, value for money means delivering our purpose as efficiently, economically, equitably and effectively as possible.
- 7.2. This policy will provide value for money by ensuring that time and resources are not wasted and that SHAL uses complaints to improve its services efficiently and effectively.

8. Owner

8.1. Complaints Officer (Housing Manager)

9. Version and Revisions

9.1. This policy will be reviewed every 3 year(s)

9.2. Revisions

New version	Date	Revision details