

ARHAG HOUSING ASSOCIATION COMPENSATION POLICY

1. INTRODUCTION

- 1.1 This policy sets out our approach to compensation for service failure. It details some circumstances when compensation will be considered and what the compensation may be. It should be noted this is not an exhaustive list of circumstances and each case will be considered in its own merit.
- 1.2 Arhag encourages all tenants to have home contents insurance as compensation will only be paid for damage to tenants' personal property in exceptional circumstances.

2. POLICY STATEMENT

- 2.1 We are committed to providing a high quality service to all tenants and achieving our service standards. If we fail to deliver this commitment we will compensate tenants for any loss, inconvenience or additional expenditure arising from our service failure in the circumstances set out in this policy document.
- 2.2 Compensation can be made in many forms. Except for situations where statutory compensation applies, we will consider the following compensation methods:
- Letter of apology
 - Flowers/Gifts
 - Vouchers
 - Cheque payment
 - Rent free period
 - Improvement to property
 - Payment off any arrears balance
- 2.3 We will take into account the situation for which the compensation is being paid and the tenant being compensated.
- 2.4 Where the service failure is caused by a third party, like a contractor, we will seek to recover any compensation paid.

3. LEGAL FRAMEWORK

3.1 The legal basis for compensation is outlined in:

- Land Compensation Act 1973 as amended by Planning Act 1991
- Housing Act 1985 & 1996
- Home Loss Payments (Prescribed amounts) England Regulations 2007

3.2 We are a Tenants Services Authority registered provider and will adhere to any related regulatory requirements that they specify.

4. SCOPE

4.1 The scope of our compensation policy includes but is not limited to:

- Failure to carry out repairs within a set time
- Failure of our staff and contractors to keep appointments
- Failure to meet any of our service standards
- Damage to personal property or internal decorations
- Temporary loss of facilities including heating, water, cooking and bathing
- Home loss and Disturbance

4.2 The level of compensation that may be payable is listed in further detail in Appendix 1. Claims should normally be made or compensation offered within 30 days of the incident.

Failure to carry out repairs within a set time

4.3 We have set timescales in which we aim to complete repairs. We will confirm these when tenants contact our Customer Service team to report a repair. We will consider a payment of compensation if we do not carry out a repair in the time period specified.

4.4 We will not pay for compensation for delays in carrying out repairs if:

- The contractor is not allowed access to the property
- Contractors have to order spare parts and the tenant has been informed or
- The tenant has been informed that extra work is needed

Failure of our staff and contractors to keep appointments

- 4.5 Our staff will always aim to be on time and keep tenants informed if they are delayed. However if a member of staff fails to keep an appointment on the due date a compensation payment will be made except where the appointment has been changed or cancelled.

Damage to personal property or internal decorations

- 4.6 We encourage all tenants to take out contents insurance for their personal possessions to cover incidents that are not our responsibility.
- 4.7 Tenants are normally responsible for any decoration necessary unless there is clear evidence that we have been negligent in carrying out our responsibilities as a landlord.
- 4.8 We will be responsible for making good any damage to internal decorations caused during the carrying out of a repair. If a tenant agrees that it is more convenient to make good the damage themselves we will offer redecoration vouchers to cover the cost of materials.

Failure to meet any of our service standards

- 4.9 If we fail to meet any of our other service standards a one off payment will be disbursed. (This is not in addition to any other service standard failure listed separately e.g. repairs not completed on time.)

Temporary loss of facilities including heating, water, cooking and bathing

- 4.10 In circumstances where a tenant is unable to use parts of the property they occupy and Arhag is responsible for the loss of the amenity and unable to provide an alternative amenity, compensation may be payable.
- 4.11 If the temporary loss of use to facilities causes significant inconvenience to the tenant any compensation agreed will be calculated with reference to the number of rooms affected as a proportion of the rent. Arhag will also provide suitable alternative means to cook and bathe in accordance with health and safety guidelines.

- 4.12 Compensation is not payable in cases where there has been a loss or reduction in amenities beyond Arhag's control.

Home Loss and Disturbance

- 4.13 Where there needs to be major repairs to a property and the tenant is required to move out temporarily while the work takes place, a Disturbance Payment may be made.
- 4.14 A disturbance payment is intended to ensure that the tenant is no worse off, and no better off than if they had not been obliged to move.
- 4.15 Where tenants chose to move voluntary a disturbance payment will not be made.
- 4.16 Disturbance payments will cover the cost of:
- Removals (three quotations will be required)
 - Disconnection and re-connection of television aerials, telephone, cooker and other 'plumbed in' appliances
 - Soft furnishings (carpets, curtains and blinds) payment to meet the cost of alterations or replacement when it is not reasonable to remove and refit
 - Redirection of mail
 - Storage costs – where a temporary move will not allow certain items to be moved with the tenant.
- 4.17 Home loss payments are paid when a tenant has to leave their home because it is being demolished or redeveloped, and they are not able to return. The tenant must hold a periodic tenancy for the property for at least one year and make a claim for home loss within 5 years of the date of their move.
- 4.18 Home loss is not paid when a tenant, who would normally move out temporarily due to major repairs or improvements, decides to move on a permanent basis and does not return to their previous home or, if a tenant moves into a property that is due to undergo major refurbishment and is given an assured short-hold tenancy.

5. RIGHT OF APPEAL

- 5.1 Tenants who are not satisfied with the outcome of any compensation decisions can pursue the issue by using our complaints policy and procedure. An appeal must be made within 21 days of the compensation decision.
- 5.2 In the case of home loss and disturbance compensation payments, tenants also have the right to appeal under the Land Compensation Act 1973, by contacting The Lands Tribunal, 48/49 Chancery Lane, London, WC2A 1JR (**Tel 020 7936 7200**).

6. RESPONSIBILITY

- 6.1 It is the responsibility of the Chief Executive to ensure that this policy is implemented.
- 6.2 The Head of Housing and the Head of Asset Management are responsible for the day-to-day implementation of the compensation policy and approval of compensation payments

7. RELATED POLICIES

- 7.1 There are other circumstances where compensation may be payable and these are outlined in the Tenants Improvement Policy

8. CONSULTATION

- 8.1 This policy will be reviewed in consultation with residents at least every two years.

9. REVIEW AND BOARD APPROVAL

Person Responsible for the review of this policy:	Quality & Performance Manager
Date of this review:	March 2010
Date of Board approval:	May 2010
Date the next review is due:	March 2012

APPENDIX 1

Compensation Payments Schedule

If a resident owes money to Arhag then this will be deducted from any compensation payment made.

Circumstance	Suggested Compensation Value
Repair not completed within timescale	£10.00 'One off' payment
Repair not completed within second timescale set	£10.00 'One off' payment plus £2 for each day the repair is outstanding up to a maximum of £50.
Complaint not responded to within timescale	£10.00 'One off' payment
Missed appointment by ARHAG staff	£10.00 'One off' payment
Broken service standards i.e. when a published service standard is not met	£10.00 'One off' payment plus £2 for each day the standard remains unmet up to a maximum of £50.
Arhag or a contractor working on our behalf has caused damage to a resident's property; or damage has been caused by our failure to achieve a solution	The value of the repair / replacement of damaged property
Where a complainant has had to spend an unreasonable or significant amount of time in pursuing the complaint	A flat rate of £25 (where the complaint is found to be valid)
A customer has taken the time to suggest ways of improving our service.	A goodwill gesture up to £25 in value. This can be in the form of card, gift vouchers, flowers or cash.
A minor service failure or misunderstanding has caused inconvenience or offence.	A goodwill gesture up to £25 in value. This can be in the form of card, gift vouchers, flowers or cash.

Circumstance	Suggested Compensation Value
Loss of hot water, heating, sanitary provision, cold water supply and where alternative accommodation is not offered	£10.00 per day payment
Loss of cooking and bathing facilities	Arhag will provide suitable alternative means to cook and bathe in accordance with health and safety regulations.
If a room is not habitable and cannot be used Arhag will pay compensation after 1 week of continued loss	<p>We will pay this compensation by reducing the rent we charge on the property, by the following weekly maximum amounts:</p> <ul style="list-style-type: none"> • Kitchen 30% of rent • Bathroom 30% of rent • Living room 20% of rent • Bedroom 25% of rent • All Toilets 100% of rent
Home loss i.e. when a tenant has to leave their home because an improvement is being made to it, or because the land it is on is being redeveloped.	<p>Compensation is calculated according to the formula set out in section 29 of the Land Compensation Act 1973 as amended by Planning Act 1991.</p> <p><i>(See policy for further details)</i></p>
Disturbance i.e. payments made to compensate tenants for reasonable expenses that they have had to pay in moving	<p>Arhag will agree the maximum amount it will pay on a case-by-case basis and in accordance with prices quoted by Arhag's own approved contractors.</p> <p><i>(See policy for further details)</i></p>