

## **Selby District Council - Compensation Policy (2022)**

Selby District Council aims to provide good quality homes that are well maintained and meet the needs of our tenants. Services are however susceptible to unplanned failure, and from time to time things go wrong. This document will therefore provide information on what circumstances could warrant a compensation claim, and how this can be done. It will provide a framework for the consideration, calculation and authorisation of compensation. It should also be noted that:

- All offers of compensation are made without prejudice and do not signify the acceptance of legal responsibility or liability on the part of the Council. All payments made under this policy will be issued as full and final settlement for the complaint.
- We will meet all legal and regulatory requirements and will adhere to any actions or compensations ordered by the Housing Ombudsman or Local Government Ombudsman, as part of their findings following a complaint.
- This policy applies to all current, future and former tenants, leaseholders, and customers of Selby District Council's housing service.

### **1. Statutory Compensation**

#### **1.1 Home Loss Payment**

1.1.1 Via The Land Compensation Act 1973, Home Loss Payment shall be made in recognition of the personal distress, upheaval and inconvenience a customer is caused if they are asked to leave their home permanently as a result of:

- A Compulsory Purchase Order being made in respect of the property.
- The making of a housing order in respect of the dwelling (i.e. Prohibition Order under Part 1 of the Housing Act 2004 or a Demolition Order).
- The landlord (as a registered social landlord) intends to demolish or redevelop the dwelling or carry out extensive improvement works.
- The making of an order for possession because the landlord (in the case of a secure tenancy) intends to demolish or redevelop the dwelling, or carry out extensive work; or the area is to be sold and redeveloped, potentially as part of a regeneration scheme.

1.1.2 You would need to have occupied the property as your main residence for a minimum of 12 months prior to the date of displacement, have an interest or right in the property, not be on a temporary tenancy, and the move be permanent.

1.1.3 As per Section 29(3) of the Land Compensation Act 1973 - in the case of compulsory purchase, if the tenant leaves the dwelling prior to the date that the Council is authorised to acquire it, they will lose their entitlement to a Home Loss Payment.

1.1.4 Local Authority tenants fulfilling the necessary criteria will be compensated with the Statutory Home Loss Payment, which as per The Home Loss Payments (Prescribed Amounts) (England) Regulations 2021 set the minimum payment at £7,100 and the maximum at £71,000 if the customer is required to leave after 1<sup>st</sup> October 2021. This amount is liable to change per Government regulation.

- 1.1.5 Where a customer satisfies all the above conditions but has not occupied the property as their main home for a period of at least 12 months before the date they are required to leave permanently, they may be entitled to claim a Discretionary Home Loss Payment (amount will not exceed the statutory value). This will be calculated on a pro-rata basis and be at the discretion of the Property Management Team Leader or equivalent.
- 1.1.6 A customer entitled to make a claim must do so in writing and within 6 years from the date they were required to permanently leave the property.
- 1.1.7 The council will aim to make a decision within 28 days of receipt of the written claim and supporting information.
- 1.1.8 In circumstances where two customers who are joint tenants are entitled to claim either a Home Loss or Discretionary Home Loss Payment, only one payment will be made which will be shared between the customers entitled to claim.

## 1.2 Right to Repair

- 1.2.1 Via The Secure Tenants of Local Housing Authorities (Right to Repair) Regulations 1994 Statutory Instrument No. 133, the Right to Repair scheme is a list of repairs which have to be done within a certain time limit, and must cost less than £250 to carry out.
- 1.2.2 If a repair is not completed within the time limit provided after two attempts by Selby District Council, the customer will be entitled to claim compensation.
- 1.2.3 The scheme only covers certain repairs, known as 'qualifying repairs', and the work would need to be carried out within 1, 3 or 7 working days. This list can be found attached at *Appendix A*.
- 1.2.4 If the Council do not attend by the last day of the time limit on their first attempt, you must report this to the Council's Customer Services team. If the work remains incomplete by the time limit on the second attempt, customers are entitled to claim £10 in compensation, plus an additional £2 per day (up to a maximum of £50), for every additional day they wait for the work to be completed.
- 1.2.5 See Section 5 on how to make a claim. You will not however be eligible for compensation if you:
  - Do report the repair.
  - Caused the damage yourself
  - Do not make a claim in the time allowed.
  - Do not allow the chosen contractor access to your home.
- 1.2.6 Any payment due under this scheme can be offset against any arrears owed to the Council, including housing rent and council tax, tenant and secondary account debts.

## 1.3 Improvements

- 1.3.1 Via The Secure Tenants of Local Authorities (Compensation for Improvements) Regulations 1994 Statutory Instrument No 613 - if the customer is ending their tenancy and has carried out improvements to the

property that they will be handing back to the Council, they may be entitled to some form of compensation.

1.3.2 In order to qualify, the following must apply:

- The customer is a secure tenant (a secure flexible council tenancy is not eligible).
- The improvement carried out is a 'qualifying improvement' (listed in *Appendix B*) with the improvement works carried out after 1<sup>st</sup> April 1994.
- The tenant obtained appropriate consent from the Council to carry out this work prior to commencement.
- The 'notional life' has not expired (listed in *Appendix B*).
- The value of the improvement work exceeds £50.
- The tenant is not leaving the property as a result of eviction.
- The tenant is not exercising their Right to Buy.
- The tenant is not 'succeeding' the tenancy.
- The tenant is not transferring to another tenancy.
- Compensation has not already been made via Section 100 of the Housing Act 1985 under the 'Power to reimburse cost of tenants improvements.'

1.3.3 If the Qualifying Improvement meets the stated criteria, compensation will be calculated on the basis of its current value and not the original cost. Consideration will also include whether the original cost was excessive, if the improvement work was of a higher quality than it would have been if carried out by the Council, if the work has deteriorated at a greater or lesser extent than expected, and whether the work was funded by a grant.

1.3.4 The maximum compensation that can be paid for any single improvement is £3,000.

1.3.5 To make a claim, the customer must put this in writing and submit to the Council within the period starting 28 days before, and ending 14 days after, the tenancy ends. The customer will need to provide information on: the improvements made, costs including receipts/invoices, relevant certificates to show works have met required legislation and building control standards, and finally the date works began and finished.

1.3.6 The council will aim to make a decision within 28 days of receipt of the written claim and supporting information.

1.3.7 Selby District Council reserve the right to inspect the improvements and information provided to ensure the works have been completed to an acceptable standard before considering whether to make an offer of compensation. If works fail to meet this standard, or relevant safety certificates cannot be provided, compensation will not be offered and the customer may be asked to re-instate the property to its original condition at their own expense.

1.3.8 Failure to re-instate the property to its original condition, or to do so poorly, may lead to the Council undertaking this work themselves and the tenant being recharged for this expense. More detail can be found in our Recharge Policy. The Council also has a 'Moving out Standard' which tenants should refer and adhere to.

- 1.3.9 Any payment due under this scheme can be offset against any arrears owed to the Council, including housing rent and council tax, tenant and secondary account debts.
- 1.4 Disturbance Payment
- 1.4.1 A Disturbance Payment may be payable in addition to a Home Loss Payment if a tenant has been asked to leave their home for the same reasons as those listed in Section 1.1.1. The main difference is that any acquisition of land by the Council is sufficient and the acquisition itself need not be compulsory.
- 1.4.2 A Disturbance Payment is payable if the tenant is asked to move permanently, but there is discretion for those asked to move temporarily. This will be decided on a case by case basis, and the applicant must be an Introductory or Secure tenant.
- 1.4.3 Disturbance Payments are paid to tenants in 'lawful possession' of said property, but there is no minimum residency requirement. Therefore, lodgers or those with only a licence to occupy do not qualify.
- 1.4.4 Eligibility for Disturbance Payments is also affected by the reason for the displacement. Where the displacement is due to acquisition by a local authority possessing compulsory purchase powers, disturbance payments are only payable where the applicant is not entitled to compensation through any other Act (excluding home loss payments).
- 1.4.5 To claim a Disturbance Payment, the customer must submit a written claim and include written estimates from reputable contractors of the expenses that will be incurred by having to leave their home.
- 1.4.6 There is no cap or limit on the amount that can be paid as compensation. However, it will only be 'reasonable expenses' that are covered in this consideration. These include, but are not limited to:
- Removal costs – professional removal or van hire costs.
  - Cost of alteration of soft furnishings, including carpets, curtains and blinds OR a contribution towards new curtains and carpets (of a similar standard) if the original ones cannot be adapted to fit the new home.
  - Disconnection and reconnection costs for telephones, internet connection charges, cookers, washing machines and other plumbed-in items.
  - Redirection of mail.
  - A contribution towards new school uniforms (where a change of school is necessary).
  - Cost of refitting of alarms and security locks.
  - Cost of refitting special adaptations.
  - Cost of redecoration.
  - Purchase of cookers if the energy supply is different in their new home.
  - Loss of wages where time off is unavoidable (proof required from employer).
- 1.4.7 There may be circumstances where a Leaseholder has rented out their property. In such cases where their property is acquired by a Compulsory Purchase Order, by agreement, the tenant of the leaseholder may be entitled to a Disturbance Payment, where they satisfy the conditions noted above.

## **2. Discretionary Compensation**

- 2.1 Selby District Council may consider making a monetary payment as a gesture of goodwill where service delivery failings cause exceptional inconvenience, stress, disturbance or annoyance.
- 2.2 Any requests for compensation as a result of a service delivery failure will be dealt with on a case by case basis and considered at the discretion of the Property Management Team Leader or equivalent.
- 2.3 Any discretionary compensation payments can be offset against any arrears owed to the Council, including housing rent and council tax, tenant and secondary account debts. This does not include reimbursement for a direct financial loss/expense incurred by tenants e.g. replacing damaged personal household items.

## **3. Payments and off-setting**

- 3.1 Where the Council has reserved the right (and only in applicable cases) to offset compensation with outstanding amounts owed to the Council, the Council will write to the claimant and inform them of the total award amount minus the offset amount.
- 3.2 Attached with the letter will be a confirmation form that the claimant must sign and return to the Council to confirm agreement of the final award amount. The Council's preferred payment method is by bank transfer and payment will be made within two weeks upon receipt of the signed award agreement being received by the Council.

## **4. When compensation will not be paid**

- 4.1 The Council will not compensate a complainant if:
  - The Council acted reasonably, and complied with their statutory duties.
  - Any lack of service or loss of facility was due to extreme or unforeseen circumstances beyond the Council's (or its contractors) control, such as weather conditions.
  - Where a resident's possessions are lost, stolen, broken or damaged through no fault of the Council's. For example, cases where damage has been caused by floods, fires, leaks etc. Residents should ensure that they have home contents insurance to cover them in these circumstances.
  - There is a case of criminal damage and a police crime number has not been provided by the tenant.
  - The damaged item is not available for inspection.
  - The damage or loss is the result of the action or negligence of the resident, family member or visitor to the premises.
  - The damage or loss is not reported immediately after the event (during the next available working week).
  - The damage or loss is the result of works carried out by an appointed contractor of the Council. In this circumstance an investigation would be carried out by the Council and a final outcome agreed. The Council will also ensure that all contractors carry Public Liability Insurance and have clear Compensation and Complaints Policies.

- Where improvement works or repair works to a property will unavoidably result in low levels of damage to property or belongings.
- The damage or loss is a result of the Council not being able to gain access to the property to carry out any repair or service due to the tenant not providing access.
- The damage or loss is caused by a service failure due to interruptions in gas, electricity or water supplies, as a result of the non-performance of utility companies, or through the action of the tenant or their household members.
- The damage or loss was caused by an alteration, home improvement or repair attempted by the tenant.
- The non-availability of parts or materials prevents the Council completing repairs within the published repair timescales, and the tenant has been kept fully informed.

## **5. How to make a claim**

- 5.1 Unless specifically stated, any tenant wanting to make a claim for compensation should include photographs and, if possible, receipts for the items claimed. Claims should be directed to the Property Management Team within 28 days.
- 5.2 All claims will be considered and the tenant will be informed of the outcome within 28 days of receipt of the claim.
- 5.3 If a tenant is unsatisfied with this process or wants to escalate their claim further, they should do this via the Council's Corporate Complaints Procedure.

## **6. Insurance Claims**

- 6.1 If items of your property are damaged as a result of absent or sub-standard repairs, or negligence by the Council, you can make a claim against the Council's insurer.
- 6.2 There is a separate process for dealing with such claims of negligence, public liability and insurance claims and these are outside the scope of this policy.
- 6.3 Tenants and leaseholders are expected to take out Contents Insurance, for which there are numerous insurance providers who offer low cost schemes. Tenants of Selby District Council do have the opportunity to purchase exclusive household contents insurance, arranged with Royal & Sun Alliance Insurance plc. This is available on two cover levels. Further information can be found at <https://www.selby.gov.uk/house-insurance> or tenants can speak to their Neighbourhood Officer for more details.
- 6.4 If a customer alleges negligence in some way, Selby District Council reserves the right to refer the claim to its solicitors or insurers for investigation.

## **7. Monitoring**

- 7.1 This policy will be reviewed every three years, or if required earlier through legislative or regulatory changes. Note that The Home Loss Payments (Prescribed Amounts) (England) Regulations are liable to change every year which the Council will honour.

## **Appendix A - Qualifying Repairs**

### **Priority One (P1):**

**ONE** working day:

- You have no water or electricity
- You have no gas, or the supply is reduced
- Your windows or doors are not secure (e.g. following a burglary)
- There is a leak from a pipe, tank or cistern which cannot be isolated or contained
- The flue to an open fire or boiler is blocked
- The heating or hot water is not working between 31st October and 1st May
- The sewage drain or soil stack are blocked (or you only have one toilet and it can't be flushed).
- Unsafe power or electrical fittings

### **Priority two (P2):**

**THREE** working days:

- You have a partial loss of water or electricity
- The heating or hot water are not working between 1st May and 31st October
- A sink, bath or basin is blocked
- A tap cannot be turned
- You have a loose bannister or handrail, or rotten wood on the floor or stair treads

### **Priority Three (P3):**

**SEVEN** working days:

- The door entry phone is not working
- An extractor fan is not working in the kitchen or bathroom
- Your roof is leaking

## **Appendix B – Qualify Improvements**

<b>Qualifying Improvement</b>	<b>Notional Life (in years)</b>
Bath or shower	12
Wash-hand basin	12
Toilet	12
Kitchen sink	10
Storage cupboards in bathroom or kitchen	10
Work surfaces for food preparation	10
Space or water heating	12
Thermostatic radiator valves	7
Insulation of pipes, water tank or cylinder	10
Loft insulation	20
Cavity wall insulation	20
Draught proofing of external doors or windows	8
Double glazing or other external window replacement or secondary glazing	20
Rewiring or the provision of power and lighting or other electrical fittings (including smoke detectors)	15
Any object which improves the security of the dwelling, but excluding burglar alarms	10

Please note: Interior decoration, such as painting and wallpapering, are the tenant's responsibility under the tenancy agreement, and so does not qualify for compensation. Any improvement not listed in the table above will not be considered for compensation.