



Tenant & Leaseholder Compensation Policy

Housing Landlord

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1.0 Introduction

- 1.1 This policy sets out the approach taken by Dacorum Borough Council (the Council) in assessing the circumstances, and the amount payable, for compensation to which tenants and leaseholders are entitled.
- 1.2 Compensation may be paid under the following circumstances:-
 - The Council is at fault for not providing services as specified under service standards.
 - Approved improvements are carried out by tenants during their tenancy and compensation may be payable when the tenancy ends.
 - Right-to-repair legislation has not been met.
 - Tenants are unduly affected by major refurbishments or improvements carried out to their homes.
- 1.3 This policy aims to ensure that:-
 - A consistent approach is taken
 - The compensation is fair and reasonable
 - There is a provision to make goodwill or ex-gratia payments where the Council is not at fault.

2.0 Legislative/Regulatory Context

Legislative context

The Leasehold Reform, Housing and Urban Development Act 1993

The Secure Tenants of Local Authorities

(Compensation for Improvements) Regulations 1994 Statutory Instrument No.613
and (Right to Repair) Regulations 1994 Statutory Instrument No.133

Land Compensation Act 1991

Landlord and Tenant Act 1985

Housing Act 1985

3.0 Scope

- 3.1 This policy sets out the roles and responsibilities of the Council and its adherence to statutory responsibilities.
- 3.2 This policy should be read in conjunction with other relevant policies and policy guidance notes.
- 3.3 This policy document outlines the circumstances where compensation might be paid to a tenant/**leaseholder** of the Council. This policy does not apply to those who may be occupying property by way of a Licence, or to other members of the public with whom the Council has no contractual relationship.

4.0 Policy statement

- 4.1 The Council is committed to achieving the highest possible standards in the services it provides.
- 4.2 The overall aim of this policy is to ensure that tenants/**leaseholders** are compensated if defined services standards are not met.
- 4.3 The objectives of this policy are:
 - To ensure compliance with current legislation, as listed at 2., and best practice.
 - To provide guidance to ensure, where payment is discretionary, consistency and fairness in assessing the compensation.

5.0 What we will do

5.1 Service Failures and Loss of Facilities

In accordance with this policy and procedure, when considering the outcome of complaints it is necessary to consider whether compensation, financial or otherwise, is appropriate. Although each case must be considered on its merits, compensation will generally be considered where:

- Exceptional worry, distress or inconvenience has been caused by the events;
- The complainant has spent an unreasonable and significant amount of time pursuing the matter;
- Specific financial losses have been incurred;
- A tenant or **leaseholder** has had to live in poor conditions for longer than is reasonable, due to a failure to deal satisfactorily with repairs that are the Council's responsibility.

Offering compensation can help reduce dissatisfaction and resolve the complaint; however other outcomes must also be considered. The consideration of whether compensation is appropriate and the decision will be recorded with each complaint received.

5.2 Tenant Improvements

Tenants can claim compensation for improvements to their home carried out with the written consent of the Council.

For details see Appendix 1

5.3 Right to Repair Legislation

Under the terms of the Secure Tenants of Local Housing Authorities (Right to Repair) Regulations the Council is required to carry out certain urgent repairs within set time limits. Details of these are given in Appendix 2.

If the repair is not carried out within this time the tenant can ask for another contractor to carry out the work. A second time period is set, being the same as the first. If the repair is still not carried out in this period then you can ask for

compensation of £10 plus additional £2 for each day thereafter up to a maximum of £50.

5.4 Relocation

If tenants have major work or refurbishment carried out to the property they are living in, or if the tenant has to move out to enable the Council to carry out major works, the Council will offer the tenant appropriate assistance and compensation. The details of the assistance and compensation available will be provided to the tenants prior to the work commencing.

6.0 Communication

- 6.1 This policy will be published on the Council's website and information is available in the tenants' handbook.
- 6.2 Customer Service and Housing staff will be updated on this policy so they are able to communicate this to tenants.

7.0 Equality and Diversity

- 7.1 The Council will ensure that this policy is applied fairly and consistently to all our customers. The Council will not directly or indirectly discriminate against any person or group of people because of their race, religion, age, gender, marital status, sexual orientation, disability or any other grounds set out in our Equality and Diversity policy.
- 7.2 When applying this policy the Council will act sensitively towards the diverse needs of individuals and communities.
- 7.3 When applying this policy the Council will take the necessary positive action to reduce discrimination and harassment in local communities.
- 7.4 This policy and any other related publications of the Council are available on request in other formats (e.g. in an alternative language, in Braille, on tape, in large type).

8.0 Complaints

If any person believes that they have not been treated in accordance with this policy, or they are unhappy about anything related to the policy, they may complain through the Council's Complaints Policy.

9. 0 Performance Monitoring and Evaluation / Quality Assurance

Monitoring of budgets is carried out monthly, when the level of expenditure and number of claims is assessed.

10.0 Date for review

The policy and policy guidance will be reviewed in a maximum period of one year.

Appendix 1

COMPENSATION FOR TENANTS IMPROVEMENTS

(AT TERMINATION OF TENANCY)

The Council operates two schemes for reimbursing tenants for improvements they have undertaken. Compensation can be considered under either the Local Authorities (Compensation for improvements) Regulations 1994 or Section 100 of the 1985 Housing Act, or a combination of the two. Section 100 of the 1985 Housing Act is used where the improvement was undertaken prior to 1 April 1994 or the item of improvement is not included in the statutory scheme.

A] Local Authorities (Compensation for improvements) Regulations 1994.

To qualify for compensation under this regulation a tenant must make a written claim, detailing the improvement and its original cost (providing receipts where possible) and demonstrating that:

1. The work was carried out on or after 1st April 1994 (stating start and completion date of work).
2. They held the secure tenancy of the property concerned at the time the work was undertaken.
3. They obtained the Council's written consent prior to carrying out the improvement (approval can be granted retrospectively at the client's discretion) and the work currently meets any conditions imposed upon that consent.
4. They have submitted their claim during the period twenty-eight days before to fourteen days after the termination of their tenancy.
5. That their tenancy did not end as a result of a Court Order for possession, a Right to Buy application or the Rent to Mortgage Scheme.
6. That their claim is for a sum exceeding £50 and less than £3,000 and excludes any grant received for the work or compensation received under Section 100 of the 1985 Housing Act.
7. That the improvement they are seeking compensation for is one listed as a qualifying improvement on the following list :

IMPROVEMENT	NOTIONAL LIFE
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	(YEARS)
Bath or Shower	12
Wash hand basin	12
Toilet	12
Kitchen sink	10
Storage cupboards in kitchen or bathroom	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 window replacement or secondary glazing	20
Rewiring or the provision of power and lighting or other electrical fittings (including smoke detectors)	15
Security measures (excluding burglar alarms)	10

Compensation is then calculated using the following formula:

$$\text{Cost of work} \times \frac{(1 - \text{Years elapsed since completion})}{\text{Notional life of improvement}}$$

$$\text{E.G. } \text{£240} \times \frac{(1 - \frac{4}{10})}{\text{}} = \text{£144}$$

Any money owing to the Council (E.G. rent arrears) will be deducted from the compensation paid.

Appendix 2

SCHEDULE (Right to Repair works)

Defect	Prescribed period (in working days)
Total loss of electric power	1
Partial loss of electric power	3
Unsafe power or lighting socket, or electrical fitting	1
Total loss of water supply	1
Partial loss of water supply	3
Total or partial loss of gas supply	1
Blocked flue to open fire or boiler	1
Total or partial loss of space or water heating between 31st October and 1st May	1
Total or partial loss of space or water heating between 30th April and 1st November	3
Blocked or leaking foul drain, soil stack, or (where there is no other working toilet in the dwelling-house) toilet pan	1
Toilet not flushing (where there is no other working toilet in the dwelling-house)	1
Blocked sink, bath or basin	3

Defect	Prescribed period (in working days)
Tap which cannot be turned	3
Leaking from water or heating pipe, tank or cistern	1
Leaking roof	7
Insecure external window, door or lock	1
Loose or detached bannister or hand rail	3
Rotten timber flooring or stair tread	3
Door entry phone not working	7
Mechanical extractor fan in internal kitchen or bathroom not working	7