

## Compensation Guidance Framework

Shown below is guidance as to how compensation can be calculated against criteria and an assessment made to the amounts payable.

Discretion can be applied by the Head or Service or Director as considered appropriate. Full reasons why compensation has been awarded outside of these guidelines must be recorded on the customer's record, so it can be provided if challenged.

### Statutory Compensation Payments

#### Right to Repair

- 1.1 Right to Repair, under the Right to Repair Scheme 1994, entitles customers to a compensation payment if certain 'qualifying repairs', with a value of less than £250 are not, following two attempts by us, completed within the agreed timescales.
- 1.2 Under the scheme 'Qualifying repairs' are emergency or urgent repairs that, if not completed within a specified time, may be likely to jeopardise the health, safety or security of the customer. The scheme does not apply to communal area repairs.
- 1.3 Where we fail to complete a 'qualifying repair' within agreed timescales at the second attempt compensation will be payable as follows:
  - A flat rate payment of £10; and
  - £2.00 a day for each day the 'qualifying repair' remains outstanding;
  - The total amount of compensation payable may not exceed £50
- 1.4 Where we have attended but could not complete the work or additional work is required, compensation will not be payable when we have made safe or limited any further risks to the health, safety or security of the customer.

#### Right to Compensation for Tenants Improvements

*(excluding assured shortholds, leasehold and homeownership)*

- 1.5 Customers may be compensated for having made certain improvements to their home when providing notice to end their tenancy. Customers are required to submit a claim within 14 days after their tenancy end date.
- 1.6 Customers will not be eligible to apply for compensation in any of the following circumstances:
  - The customer is purchasing their home through the Right to Buy or Right to Acquire schemes (the improvement will not be considered in the valuation process)
  - The tenancy is terminated because of:
    - VIVID issuing a Notice seeking Possession;
    - A Court issuing an Order for Possession;
    - VIVID issuing an Abandonment Notice

- 1.7 To qualify a customer must have:
- Prior written permission from us to make the improvement;
  - Evidence of the costs incurred in making the improvement;
  - Complied with all planning and building regulations;
  - Completed an improvement that has been shown to add value to the home, would be reasonable for an incoming customer to use/benefit from and does not pose any health and safety issues
- 1.8 Compensation for improvements will be decided by us from the list below and based on the notional life listed. Please note that interior decoration (painting and wallpapering) would not qualify for compensation.

<b>Improvement works</b>	<b>Notional Life</b>
<b>Bathroom sanitary ware replacement (excluding shower fittings)</b>	12 years
<b>Kitchen sink/work surface/storage unit replacement</b>	10 years
<b>Central heating/hot water boiler/electrical heating replacement (excluding individual gas fires)</b>	10 years
<b>Insulation of pipes, water tank or hot water cylinder</b>	10 years
<b>Thermostatic radiator valves</b>	7 years
<b>Draught proofing of external doors or windows</b>	8 years
<b>Loft or cavity wall insulation</b>	20 years
<b>Secondary glazing, double glazing or other window replacement</b>	20 years
<b>Rewiring or extend/improve power and lighting circuits (including mains powered smoke detectors)</b>	15 years
<b>Additional door and window locks</b>	10 years

- 1.9 The amount of compensation payable for a qualifying improvement will be calculated using the following formula which considers expected depreciation from wear and tear:

$$C \times (N - Y / N)$$

C = original evidenced cost of improvement

N = notional life of the improvement

Y = number of complete years since the improvement was made (part years being rounded up to complete years)

- 1.10 Where a customer was in receipt of financial assistance, such as a grant, to help pay for the improvement this amount will be deducted from compensation payments.
- 1.11 Other discretionary deductions may also be made if the cost of the improvement is found to be excessive, the improvement is of a higher quality than we would provide, or the improvement has deteriorated at a greater rate than expected.
- 1.12 Claims for compensation of less than £50 will not be processed, with an upper claim limit of £3,000 for any one improvement. Where a customer has money owing to us compensation payments will be used to off-set the debt.

## Land Compensation Act - Home Loss payments

- 1.13 Customers may qualify for Home Loss payments where:
- The customer is permanently displaced from their home;
  - The displacement is a consequence of proposed redevelopment or refurbishment;
  - At the date of displacement, the property has been the customers only and main residence for at least one year;
  - The claimant is the lawful occupant of the home
- 1.14 A customer cannot be regarded as permanently displaced where there is an intention to return them to their original home on completion of the works or where, for reasons of personal preference, a customer elects to remain in decanting accommodation rather than returning to their original home.
- 1.15 Home Loss payments are:
- a fixed sum determined by the Government (applicable for tenants), or;
  - a percentage of an owner's interest in the property, capped to a maximum payment (payments are fixed by statute and can vary)
- Payments are made per tenancy/property and not per tenant/occupant.
- 1.16 Claims for Home Loss Payment must be made within 6 months of the date of displacement. Where a customer has money owing to us, up to 75% of the Home Loss payment (or more with the customer's consent) can be used to off-set the debt. Money may also be offset against the Home Loss payment where a customer is required to pay their rent in advance.
- 1.17 If the customer is Bankrupt, we will discuss with the Insolvency Service to determine the appropriate payment method.

## Land Compensation Act - Disturbance Allowances

- 1.18 Customers who are asked to move from their home, either permanently or temporarily, are eligible for disturbance allowances intended to reimburse customers for actual and reasonable expenses directly and unavoidably incurred from their displacement.
- 1.19 Reasonable expenses include, but may not be limited to:
- Removals services;
  - Disconnection and reconnection of cookers, washing machines, dishwashers, telephones/internet, alarms/security, satellite/aerials (subject to planning conditions);
  - Reinstallation of aids and adaptations;
  - Mail redirection;
  - Storage of furniture and household items;
  - Removal and refitting of curtains, carpets and other types of floor coverings;
  - Decoration allowance;

- The following rates of payment applies on a room by room basis, based on maximum payments for complete redecoration.

○ Kitchen	£110
○ Lounge	£165
○ Dining Room	£110
○ Hall, Stairs and Landing	£220
○ Hall (only)	£110
○ Bathroom	£110
○ Bedroom (Double)	£132
○ Bedroom (Single)	£110

- Costs of meals out where no self-catering facilities are available
  - Customers will be reimbursed on production of receipts at the following maximum rates for adults and 50% of the rate for children under 12 years;
  - £7.15 per person for breakfast (unless included in the room rate);
  - £8.80 per person for lunch;
  - £12.10 per person for dinner

- 1.20 Customers are requested, as far as practicably possible, to notify us and agree reasonable expenses they may wish to claim prior to any expenses being incurred. In some instances, we may choose to instruct a supplier directly or ask customers to provide quotations.
- 1.21 Customers who wish to claim disturbance allowances for already incurred expenses must do so within six months of their displacement and providing evidence of the costs incurred.
- 1.22 Where disturbance allowance is paid directly to a customer this will be by cheque or BACS. Should a customer have money owing to us they can choose to have these payments paid directly onto the rent account.
- 1.23 In addition to our statutory obligations we may pay customers a discretionary general disturbance payment, of up to £200, for customers who are requested by us to be temporarily displaced from their home and at no fault of their own. Where a customer has money owing to us this payment will usually be used to off-set the debt.

## Financial Loss Payments

- 1.24 Financial loss payments are usually paid directly to a customer by cheque or BACS. Should a customer have money owing to us they can choose to have these payments paid directly onto the rent account.

### Loss of use – facilities and amenities

- 1.25 Customers may be entitled to financial loss payments when a customer is unable to use complete parts of their home or its major amenities because of unreasonably delayed repairs or major works.
- 1.26 Where loss of use is due to planned improvements agreed with the customer, payments cannot be considered unless the works take unreasonably longer than promised or are not managed effectively.
- 1.27 Payments are based on a percentage of the rental charge for each week, beyond reasonable timescales, that a room or major amenity could not be used by a customer. Customers must be without the use of a room or major amenity for a minimum of one week, in excess of reasonable timescales, before a financial loss payment can be considered.
- 1.28 Payments for loss of use will be decided by us from the list below. Payments are based on the highest percentage payment deduction and are not cumulative, e.g. if a kitchen and heating system is lost, the reduction would be 40% of the weekly basic rent not 70%.

Facility / Amenity Lost	Percentage of Rental Charge	Additional Guidance
<b>Total loss of heating</b>	30%	Applicable only between 1 October to 31 March. Payment is excluded where substitute heating is offered/provided
<b>Total loss of hot water</b>	30%	
<b>Kitchen</b>	40%	
<b>Bathroom</b>	40%	If the property has more than one bathroom, of which one is usable, a reduction in rent cannot be considered.
<b>Toilet</b>	40%	If the property has more than one toilet, of which one is usable, a reduction in rent cannot be considered.
<b>Living Room</b>	40%	
<b>Any other room</b>	20%	

- 1.29 Where a loss of use payment is agreed, we will review how the customer's rent has been paid to determine any Housing Benefit or Universal Credit implications. Where all, or part, of the rental charge is paid through Housing Benefit or Universal Credit this proportion of rent will be excluded from the financial loss payment paid to the customer.

### Extra utility costs – substitute heating or dehumidifiers

- 1.30 Customers may be entitled to financial loss payments where we have been unable to restore heating within reasonable timescales and more costly substitute heating is provided.
- 1.31 Customers may also be entitled to financial loss payments for increased utility costs incurred from the use of dehumidifiers because of a leak within the home. To qualify we must have authorised the installation of the dehumidifiers and the cause of the leak is not considered to be the fault of the customer.
- 1.32 Extra utility costs financial payments are calculated using the following formula:

$$\text{Current Electricity Rate (p/kWh)} \times \text{Power Rating of the appliance (KW)} \times \text{Number of hours the appliance is used (outside of reasonable timescales)}$$

*In calculating these payments, the number of hours an appliance is in use per day has been capped at 12.*

#### Loss, or poor quality, of Service Chargeable services

*(excluding management or administration fees association with service charges)*

- 1.33 Where a service paid through a service charge is not provided, or is evidenced as being of poor quality, we will endeavour to put this right by making practical actions at no additional cost to the customer, e.g. replacement service, additional or enhanced services.
- 1.34 Where practical actions are not possible, or appropriate, customers may be entitled to financial loss payments for the period the service, or aspects of the service, were not provided. Where all, or part, of the service charge is paid directly to us through Housing Benefit the financial loss payment will be amended to reflect the proportion of service charge paid directly by the customer.
- 1.35 For leaseholders, financial loss payments because of loss or quality of a service chargeable service will not be paid directly to the customer but taken into consideration during the end of year surplus/deficit calculation.
- 1.36 Where a service, paid through a service charge, is found not to have been delivered due to the service permanently stopping the financial loss payment will be processed as a formal service charge refund by placing a credit onto the rent account.

#### Other financial losses

- 1.37 In the event of any other financial losses suffered as a direct result of a service failure we will assess the level of possible financial loss payments following provision of evidence of the additional costs incurred.

1.38 As customers are expected, under the terms of their tenancy agreement or lease, to allow reasonable access to their home we cannot consider financial loss claims for loss of earning. However one-off recognition payments for missed appointments may be suitable in some circumstances.

### Recognition Gestures and Payments

1.39 Recognition gestures and payments, are only considered where practical actions alone are not able to restore a customer to their position prior to a service failure. These will not always be financial and, in many instances, may be gestures such as:

- A personal visit to apologise;
- A letter of apology;
- Flowers;
- A card

1.40 Where a financial recognition payment is considered appropriate by us, the degree of service failure and the extent of hardship suffered by the customer will be considered when deciding the amount of compensation. Financial recognition payments can be awarded up to a maximum of £50 per service failure and at our discretion.

1.41 Where a recognition payment is paid to a customer this will be by cheque or BACS. Should a customer have money owing to us these payments will be paid directly onto the rent account unless there are exceptional circumstances.

1.42 Guidance on considering the degree of service failure, the extent of hardship and calculating financial recognition payments is provided below:

Degree x Extent	Recognition Score	Recognition Payment
Low x Low	Low	Up to £10
Low x Medium	Low/Medium	Up to £20
Low x High	Medium	Up to £30
Medium x Medium	Medium	Up to £30
Medium x High	Medium/High	Up to £40
High x High	High	Up to £50

Degree of service failure		Extent of hardship	
<b>Low</b>	Service has not achieved the expected standard.	<b>Low</b>	Impact of the service failure is no greater than is reasonably tolerable but we are unable to correct the service failure through practical actions alone.
<b>Medium</b>	Service has either markedly failed to meet a required standard or we have repeatedly failed to address a shortcoming.	<b>Medium</b>	Impact of the service failure is greater than is reasonably tolerable, but not excessive, and we are unable to correct the service failure through practical actions alone.
<b>High</b>	Relates to serious service failure due to either: <ul style="list-style-type: none"> <li>• Severity of the event</li> <li>• Persistent failure over a protracted time</li> <li>• Unacceptable number of attempts to resolve and address the service failure.</li> </ul>	<b>High</b>	Where, as a direct result of the service failure, major impacts are evidence to have been caused to: <ul style="list-style-type: none"> <li>• A number of people</li> <li>• People with vulnerabilities</li> </ul> Major impacts are where excessive or unreasonable expectations are placed on the customer because of the service failure.

1.43 Where a claim is for a definitive loss, such as ill health, this matter will need to be dealt with via our Insurance processes.

### Missed Appointments

1.44 For select appointments we may pay customers a one-off standard £30 recognition payment where we fail to attend an appointment without reasonable attempts to notify you in advance of the appointment.

1.45 The appointments which qualify for this recognition payment are:

- appointments relating to Immediate, Emergency, Out of Hours or Urgent category jobs;
- appointments relating to gas service / safety checks, where there has been more than one incident of a missed appointment

1.46 The £30 recognition payment is made in recognition of any stress or inconvenience caused by this service failure, therefore no further recognition payments can be considered in relation to missed appointments.