



# Compensation Policy and Procedure

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# Compensation Policy and Procedure

## 1. What is Compensation? Our Policy

- 1.1. Connect aims to provide an excellent service to our customers that consistently meets or exceeds our stated and required standards. However, we recognise that sometimes our levels of service fall below our own and our tenants' expectations. If this happens, we will try to put the matter right and apologise as quickly as possible, so that the problem is resolved and the need for compensation does not arise.
- 1.2. Connect has a statutory obligation to provide compensation under legislation that covers:
  - *Right to Repair*, when small or urgent repairs are not carried out within timescales twice
  - *Right to Compensation for Improvements*, which can be claimed at the end of a tenancy, and
  - *Home Loss and Disturbance Payments*, when tenants are required to move permanently from their home.
- 1.3. In addition, however, when a customer has suffered a quantifiable loss as a result of our service failure or omission and Connect has not been able to remedy the situation or remedy it sufficiently speedily, we will consider the payment of discretionary compensation. This is a specific payment of recompense for loss of service or for expenses incurred by a customer. The amounts involved are quantifiable and evidence-based.
- 1.4. Even if the customer has not suffered a quantifiable loss, they may have suffered inconvenience or distress as a result of our error. As part of saying sorry for unacceptable service, we may consider making a goodwill gesture, which may take the form of flowers, vouchers or a small payment.
- 1.5. Compensation and goodwill gestures are *discretionary* and are not automatic, even where mistakes have been acknowledged. If we have made a mistake, we aim, as far as possible, to put the customer back in the position that they were before the failure occurred. We thereby minimise the level of dissatisfaction that the customer has experienced. This *will definitely* mean taking all necessary action to redress the practical situation – in addition, it *may* mean making a compensation payment which is both proportionate and fair.
- 1.6. All discretionary compensation payments are “without prejudice”, i.e. they do not constitute an admission of legal liability.

- 1.7. Often offers of compensation are made as part of a response to a formal Complaint, but compensation or a goodwill gesture can be offered at any time when staff become aware of service failure.
- 1.8. Claims for personal injury and damage to customers' belongings are dealt with by Connect's insurance company and are not normally dealt with under this compensation policy. Minor damage to customers' belongings in a simple case *may* be dealt with directly by Connect.
- 1.9. Disrepair claims may be made through a solicitor when we have failed to remedy a repair after we have been notified that there is a problem. We will attempt to achieve an early and appropriate resolution of the issues with our customers and reduce the need to proceed to litigation. Any claims progressing through legal channels are not dealt with under this policy.

Appendix 1 shows in diagrammatic form the different types of compensation together with a summary statement of when it may be awarded. Section 2 outlines, in summary form, guidance for statutory compensation. Section 3 outlines circumstances and amounts for discretionary compensation. Section 4 gives some procedural and practical guidelines for the consideration and making of payments.

## 2. **Statutory Compensation**

Connect's tenants' statutory rights to compensation are summarised below and in Appendix 5 for the purpose of general guidance and understanding only. Whilst considering and calculating compensation under these categories, reference must be made to the most up-to-date legal and contractual guidance.

2.1. **The Right to Repair** gives tenants the right to claim compensation if small, urgent repairs that are likely to jeopardise their health and safety are not carried out twice within the specified timescales (usually 1 – 3 days). The nature of the repairs, the timescales for completion and the level of compensation are all specified by legislation. Eligible repairs include (but are not limited to):

- Only toilet not flushing
- Detached banister or handrail
- Loss of electricity, gas or water supply (when it is Connect's fault)
- Leaking roof.

2.2. **The Right to Compensation for Improvements** recognises that tenants may make improvements to their homes and that, when they leave, they may have

the right to some compensation. The legislation recognises that the work done may have added to the value of their property.

2.2.1. Eligible “improvements” are listed in the legislation and include (but are not limited to):

- New bathroom or kitchen fittings
- Insulation of pipes, water tanks, loft, cavity wall
- Double glazing.

2.2.2. The tenant must have sought Connect’s approval *before* making the improvement with the provision of 3 estimates from bona fide contractors. The claim for compensation must be made within 14 days of the end of the tenancy.

2.2.3. The amount of compensation is not the same as the original amount paid for the work. Compensation is calculated based on:

- The value of the Connect-supplied original fitting removed (if relevant)
- The value of the new fixture installed
- The lifespan of the new fixture.

### **2.3. Home Loss and Disturbance Payments**

2.3.1. *Home Loss payments* are made in recognition of the personal distress and inconvenience suffered by tenants who are required to move permanently from their homes. Mandatory Home Loss payments must be made when:

- The move is required as a result of improvement or redevelopment
- The move is *permanent*
- The tenant was in the property for one year or more
- The tenant was not moving voluntarily but there was an element of compulsion.

Home Loss is not normally offered because of *temporary* displacement due to a major repair work or refurbishment.

2.3.2. *Disturbance payments* compensate for reasonable expenses incurred by moving home, either because of a permanent displacement (due to redevelopment) or a temporary displacement (due to refurbishment). There is no minimum period of

tenure before a tenant is entitled to a Disturbance payment (as there is for Home Loss) and the amounts of compensation are not legally defined (as they are for Home Loss). Connect will arrange the following service for decanting tenants:

- For removals within the West Yorkshire area, Connect will arrange the removals of furniture and possessions to be organised through an authorised contractor. Connect will be invoiced directly for this.
- Connect will arrange for carpets to be fitted to the tenants next home through an authorised contractor and within reasonable costs and limited choice. Connect will be invoiced directly for this.
- Connect will arrange for an operative to be available for the disconnections of electrical and gas appliances and for the reasonable reconnection of these appliances if residents move to another dwelling where Connect is landlord.

### 3. Discretionary Compensation

- 3.1. Compensation is a payment that Connect makes in the event of customers experiencing actual financial loss as a result of Connect's activities (or lack of them).
- 3.2. Financial compensation will only be considered when no practical measures can be agreed with the customer to provide all or part of the remedy.
- 3.3. The level of payment must be based on the estimated loss and inconvenience caused to the customer for which Connect has been directly responsible. The following table gives *some* service areas for which Connect may consider making compensation payments together with guidance for assessment and suggested levels of compensation. The suggested levels aim to ensure that payments are both consistent and fair, but considerations will always be made on a case-by-case basis and are subject to staff discretion.

Discretionary Compensation		
Service Area	Guidance for Assessment	Recommended Compensation
Loss of heating / hot water	<p><b>Loss of heating and / or hot water that has not been restored by the advised target date.</b></p> <p>This payment is considered only:</p> <ol style="list-style-type: none"> <li>during the recognised heating season from November to April</li> <li>if no alternative heating has been supplied by Connect</li> <li>if the heat loss is definitely not due to the gas or electricity supplier.</li> </ol>	Up to £10/day after the completion target date for loss of both heat and hot water (£1/day for hot water only) to a maximum of £50. A higher amount may be necessary for older, disabled or vulnerable tenants.

Discretionary Compensation														
Service Area	Guidance for Assessment	Recommended Compensation												
	If Connect's failure to complete a repair at the time of a new letting means that heating and hot water cannot be commissioned at tenancy commencement through no fault of the tenant, a rent free period can be considered until the property is habitable.	If the customer can evidence extra costs were incurred for an alternative form of heating, this cost can be reimbursed.												
<b>Loss of water supply</b>	<p><b>When a tenant has a total loss of water supply as a result of failure or omission on the part of Connect</b> and the loss of supply continues for 2 consecutive days or more.</p> <p>Connect will not pay if the problem is due to the water supplier.</p>	£5/day for total loss of water up to a maximum value of £50.												
<b>Loss of the use of rooms</b>	<p><b>Loss of the use of part of a property for a period beyond the time advised for the completion of the repair work.</b></p> <p>Only to be paid when the room is unusable due to on-going works (or failure to carry out a repair) and the tenant has not been moved to another property. Common reasons for a room becoming unusable include:</p> <ul style="list-style-type: none"> <li>• no electricity in the room at all</li> <li>• severe damp</li> <li>• unsafe floor</li> <li>• collapsed or unsafe ceiling.</li> </ul>	<p>Compensation is offered for the period beyond the notified repair date, as a proportion of the weekly rent.</p> <table border="1"> <thead> <tr> <th><i>Loss of:</i></th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Kitchen</td> <td>20%</td> </tr> <tr> <td>Bathroom (no toilet available)</td> <td>30%</td> </tr> <tr> <td>Bathroom (but another toilet available)</td> <td>10%</td> </tr> <tr> <td>Main living room</td> <td>20%</td> </tr> <tr> <td>Bedroom (1 or more)</td> <td>15%</td> </tr> </tbody> </table>	<i>Loss of:</i>	%	Kitchen	20%	Bathroom (no toilet available)	30%	Bathroom (but another toilet available)	10%	Main living room	20%	Bedroom (1 or more)	15%
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<b>Failure to deliver a service that is subject to a service charge</b>	<p><b>A service that was not provided or provided badly.</b></p> <p>For example:</p> <ul style="list-style-type: none"> <li>• lift not repaired after stated repair date</li> <li>• communal entrance system not repaired after stated repair date</li> <li>• landscape maintenance in the growing season not carried out several times, apart from inability to attend due to inclement weather.</li> </ul>	<p>Repayment of the service charge for the period that the service failed (beyond any specified repair date if relevant) up to a maximum of £50.</p> <p>Consider payment to all tenants affected.</p> <p>If service missed only once or twice, consider a gesture of goodwill only to all affected tenants.</p>												
<b>Damage to decorations</b>	<p><b>Tenant's decorations are damaged in the process of carrying out a repair.</b></p> <p>Every effort will be made to match existing</p>	£75 maximum												

<b>Discretionary Compensation</b>		
<b>Service Area</b>	<b>Guidance for Assessment</b>	<b>Recommended Compensation</b>
	decorations. When decorations cannot be matched, a fixed decoration allowance can be considered.	
<b>Increased cost of utility bills due to Connect's use of tenant's supply</b>	<p><b>Increased utility bill due to Connect's use of tenant's supply.</b></p> <p>For example, using the tenant's supply to dry out a property or to pump water from a property. Evidence of increased cost may be sought and payment only considered when devices are used for over a day.</p>	<p>Dehumidifiers: £1 / day / appliance</p> <p>Water pump: consider about £5 / hour / appliance (meter readings may evidence the need for a higher hourly cost).</p>
<b>Damage to tenant's property due to negligent or inappropriate actions of Connect</b>	<p><b>The tenant claims their belongings were damaged or lost because of Connect's action / inaction.</b></p> <p>The tenant must be visited as soon as possible after the alleged loss occurred to assess the damage incurred. Damaged goods must be available to view.</p> <p>The case should be referred to Connect's insurers immediately if it is a complex case that may also involve a tenant's health and/or the damage is likely to be more than £500. It is for Connect's insurance company to assess liability.</p> <p>However, if the damage is small and it is clear that Connect did cause the damage/loss, an appropriate offer below the value of £500 can be made. The payment must be paid as a "without prejudice" discretionary payment and signed documentation must be obtained from the tenant <i>before</i> the payment is made.</p> <p><u>Note:</u> Claims against contractors will be referred to the contractor for resolution – Connect may choose to pay the customer and seek reimbursement from the contractor.</p>	<p>Assessed amount (allowing for wear and tear) up to a maximum of £500.</p> <p>For guidance, usually an offer of approximately 50% of the value at new can be offered as compensation.</p> <p>All claims above £500 or that are complex and may potentially impact on health, must be dealt with by Connect's insurance company outside of this policy.</p>
<b>Personal injury</b>	<p><b>Any claim of personal injury / impact on health MUST be handled by Connect's insurance company.</b></p> <p>Personal injury claims MUST NOT be handled under the compensation or complaints policies and procedures. All such claims must be passed on to Finance who will pass on the details to Connect's insurers.</p>	MUST be dealt with by Connect's insurers outside of this policy.
<b>Gesture of goodwill</b>	<b>When the customer has not had a quantifiable loss but has suffered from distress, anxiety, frustration, inconvenience, time</b>	An appropriate gift such as a bunch of flowers, a box of chocolates or a

Discretionary Compensation		
Service Area	Guidance for Assessment	Recommended Compensation
	<p>and trouble, etc. as a result of Connect's service failure or omission.</p> <p>Gestures of goodwill may be considered in addition to the payments outlined above or as "stand alone" awards.</p>	<p>food shopping voucher up to the value of £10.</p> <p>For events that have resulted in distress over an extended period, consider payments of up to £10/month to a maximum of £50.</p>

3.4. Examples of when Connect will not pay compensation include (but are not limited to):

- 3.4.1. The problem or service failure has caused little or no problem to the customer.
- 3.4.2. Connect has not been negligent and we could not have foreseen that an item needed repair.
- 3.4.3. Damage occurred as a result of disrepair or neglect by the tenant, the tenant's family or visitors.
- 3.4.4. The fault was caused by a third party or severe weather conditions over which Connect has no control or contractual relationship.
- 3.4.5. The tenant did not cooperate or allow access to assess or deal with the problem.
- 3.4.6. Reasonable alternative arrangements were offered by Connect to resolve the problem but the customer would not accept these.
- 3.4.7. Connect acted reasonably to mitigate any loss or damage.
- 3.4.8. The issue is the subject of an insurance claim with regard to damage to the customer's home / possessions or personal injury. These claims must be dealt with by Connect's insurance company.

#### 4. Making Payments for Compensation – Procedural Notes

- 4.1. We will **always** check first that any action (e.g. works / orders / refunds) has been put in place to ensure that the customer is put back in the position that they should have been in before the failure occurred. We will then consider if a compensation payment is also required.
- 4.2. Consideration of *discretionary* compensation may arise because it is:

- 4.2.1. Requested by the tenant. This request will be treated as a complaint about service failure and investigated through the complaints process.
- 4.2.2. Considered by Connect whilst responding to a complaint (when the tenant may not have mentioned compensation).
- 4.2.3. Identified by a member of staff (totally outside the complaints process) where they believe that compensation is an appropriate means of providing redress to the tenant for Connect's service failure.

In each case, a thorough investigation is carried out to establish why the problem occurred and who was responsible or at fault. The results (together with supporting evidence) are recorded on the Complaints and Compensation Investigation form (see Appendix 3).

- 4.3. When we make the customer an offer of compensation, we will ask them to confirm in writing that they accept this payment as the full and final settlement (with provision of a form to sign and a pre-paid return envelope). Once the confirmation is received, the payment will be processed as quickly as possible.
- 4.4. If a customer is not satisfied with an offer of compensation and it is not possible to renegotiate this with them, they should be advised to pursue this through the complaints procedure.
- 4.5. Any payment for compensation will normally be made by cheque payable to the primary tenant or to their nominated holder of a bank account.
- 4.6. Authorisation levels for compensation payments are normally:
  - 4.6.1. Up to £100 – Frontline staff
  - 4.6.2. Up to £500 – Management Group and Seniors
  - 4.6.3. Up to £1000 – Chief Executive and Stage 3 Complaint Panel
  - 4.6.4. Above £1,000 – Board.

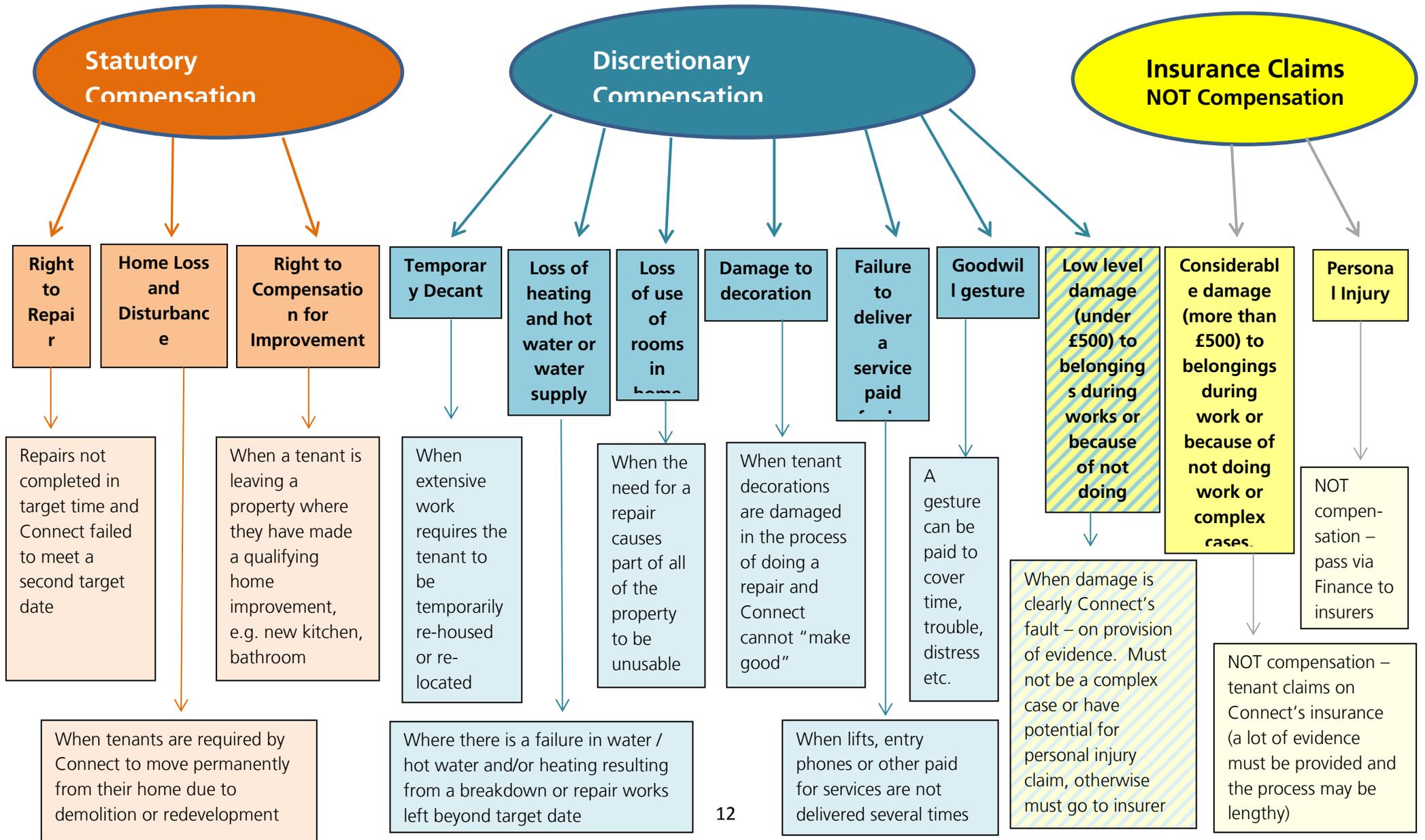
If staff believe that compensation is justified but the amount is above that which they are allowed to authorise, refer the authorisation of the payment to the relevant member of the Management Team.

- 4.7. Connect normally will clear any debts owed by the customer, including rent arrears, from any proposed compensation payment. Following the offset, any balance will then be paid direct to the customer. Exceptions may be made in cases where compensation is being paid to replace an essential item.

- 4.8. It should be stated in covering correspondence that payments are made in full and final settlement of the claim. The offer is made “without prejudice” and does not constitute an admission of legal liability.
- 4.9. The compensation policy does not apply if Connect staff or a Connect contractor cause loss or damage to personal property or personal injury to customers. This must be pursued as an insurance issue and not a claim for compensation (see section 3.3 Damage to tenant's property for exceptions).
- 4.10. The compensation policy does not apply when a customer has started legal proceedings against Connect.
- 4.11. Connect will normally adhere to any actions or compensation ordered by the Housing Ombudsman Service (HOS) as part of their findings following a tenant's escalation of a complaint. However, we will seek further advice from HOS if we strongly disagree.
- 4.12. All completed Complaints and Compensation Investigation forms together with copies of all evidence, correspondence and the final cheque must be passed to the Administrative Assistant and appropriate records made on the property database and/or document management system.
- 4.13. All awards of compensation are logged and a summary is reported to Board annually.

Appendix 2 outlines a step-by-step process for the consideration, calculation and payment of compensation. Appendix 3 provides a form to record the results of investigations into complaints and compensation. Appendix 4 provides a pro-forma for customer acceptance of discretionary compensation. Appendix 5 gives additional detail about statutory compensation. Appendix 6 gives some examples of amounts of compensation made for failures of service and goodwill gestures.

# Appendix 1: Types of Compensation



## **Appendix 2: Step-by-step Guide for the Consideration, Calculation and Payment of Discretionary Compensation**

1. **Has everything been done to redress the situation?** If not, do this as a matter of urgency, e.g. make necessary repair orders *and* check that the work gets done. If the customer has been caused no or minimal inconvenience and any mistakes / outstanding work has been put right, a payment is not necessary.
2. **Is this an insurance claim?** Any claim relating to personal injury or damage to personal belongings should be passed to Finance to be dealt with by our insurers and not handled under the Compensation policy. If the damage to personal belongings is minor (e.g. a stain on carpet or sofa, minor water damage) and is under the value of £500, it can be considered but, if there are any doubts regarding complexity, pass to insurers.
3. **Has the customer involved a solicitor, e.g. a disrepair claim?** Do not handle under the Compensation policy. Liaise with Finance so that the issue is dealt with by Connect's solicitor and insurers.
4. **If all the remedial work has been done but the customer has suffered some inconvenience and you think a small gesture of goodwill would help,** consider a gift of flowers / chocolates / low value shopping voucher. Use the petty cash process for funds. Fill in the form in Appendix 3 and return it to the Administrative Assistant. You do not need to log this as a complaint.
5. **If you are considering compensation as part of a complaint investigation,** carry out the investigation in the normal way but always fill in the form in Appendix 3 to outline both your investigation and the basis for any decision about an award for compensation (including details of how you calculated amounts). Include this form in any paperwork that you return to the AA.

**Note:** Consideration of Statutory Compensation must be made with reference to the most up-to-date legislation.

6. **If it appears the customer has suffered some loss due to Connect's action (or inaction),** be guided by this policy in your assessment and record all your considerations on the form in Appendix 3, attaching any evidence (receipts, bills, photographs) as appropriate. Consider:
  - The factors listed where we do not give compensation in section 3.4 – Is this one of those instances?
  - The factors listed where we may award compensation in section 3.3 – Is this one of those instances?

- If your investigation indicates compensation may be payable for specific, quantifiable loss, collect all relevant evidence, including a site visit to understand the issue and the impact on the customer, and calculate the amount.
7. **When you think a payment is appropriate and have decided the amount**, check the tenant's rent account to see if they are in rent arrears or they have any other outstanding debts (e.g. re-chargeable repair). If they do, you will need to consider if any compensation payment should be made towards the outstanding debt. Consult the Income Services Manager if you are unsure how to proceed. You have some discretion about offsetting the compensation against debt, especially if the compensation is for an essential item.
  8. **Write to the customer with your decision** – include it in the complaint response letter, if you are responding to a complaint. If you are offering compensation, you must include the form in Appendix 4, which asks the customer to accept the payment as a “full and final settlement”. You must fill in your own name, all the customer details, the incident details and the amount offered on the form – it is essential that you clearly mark the form for return to yourself and/or your manager and include a postage paid return envelope also clearly marked for return to you. Ask the customer to return the signed form to you as quickly as possible and certainly within two weeks – make it clear that you will be unable to process the payment if they do not return the form. Even if you plan to offset the payment against arrears / other debt, the signed consent must be for the full amount offered, but the cover letter will indicate some / all of the payment will be made against the outstanding debt.
  9. **As soon as the signed acceptance is received**, process the payment through a cheque requisition form as quickly as possible and mail the cheque out as soon as it is signed. Indicate again in the covering letter that this is a full and final settlement for the incident (for which you state the nature of the incident and the approximate date).
  10. **If the customer does not accept the amount and you are unable to renegotiate**, tell them that they can escalate this through the complaints process if they wish.
  11. **If the customer does not return the signed form within 4 weeks**, send them another copy of the form and say that the offer will be withdrawn if it is not returned within a further 2 weeks (state date).
  12. **Return copies of all your letters, completed forms to outline the investigation, the customer acceptance and any other evidence** to the AA who will make the relevant entries in QL and store the documents appropriately (in paper form or in the electronic document management system). This may be part of your records for a completed complaints investigation or for a compensation assessment outside the complaints process.

**Appendix 3:  
Complaints and Compensation Investigation Form**

**Complaint ref (if relevant):**

.....

**Investigating Senior / Manager:**

.....

**Date of Investigation:** From.....

To.....

**Summary of the Complaint / Service Failure**

**Additional details from phone conversation / visit (give date) with the tenant, including what they feel will resolve their problem.**

**What immediate action have you taken to resolve the issue (e.g. ordered repair) and minimise any damage / inconvenience? What have you done to put the customer back in the position that they were before the failure occurred?**

**Summary of your investigation and findings (include and attach any evidence, e.g. photographs, receipts), with special attention to why the problem occurred, who was at fault / who was responsible.**

**Was compensation offered? If it was, outline why and how the amount was calculated. Has the problem affected other tenants and are they eligible for compensation?**

**What action has been taken to prevent this happening again?**



**Appendix 4:  
Form for Customer Acceptance of an Offer of Discretionary Compensation\***

Connect Housing  
205 Roundhay Road  
Leeds LS8 4HS

**FAO Investigating Manager:**

**Customer Name:**

**Customer Address:**

**Complaint Reference Number (if relevant):**

**Nature of Incident:**

**Date of Incident:**

I confirm that I am prepared to accept £                      in full and final settlement of all claims arising out of the incident.

Signed: .....

Name: .....

Address: .....

.....

.....

Date: .....

**Note:** You will be paid the amount indicated only after you have signed and returned this form. This payment will be made by cheque – we will make the cheque out to you at the address above (if you want the cheque made out to another bank account holder, please tell us on this form).

\*Not required for statutory Right to Repair or Home Loss where payment levels are fixed, nor for Gestures of Goodwill.

## Appendix 5: Statutory Compensation in More Detail

1. **The Right to Repair** is contained in the Leasehold Reform, Housing and Urban Development Act 1993 (s 121 and 122) and was introduced as part of the Citizens Charter Scheme in 1994. It is referred to in Connect's tenancy agreement.

1.1. Eligible repairs are listed in the table below with timescales:

Qualifying Repair	Timescale
Total loss of electric power	1 day
Unsafe power or lighting socket or electrical fitting	1 day
Total loss of water supply	1 day
Total or partial loss of gas supply	1 day
Blocked flue to open fire or boiler	1 day
Total or partial loss of space or water heating between November to April.	1 day
Blocked or leaking foul drain, soil stack or toilet pan (where there is no other working toilet in the house)	1 day
Toilet not flushing (where there is no other working toilet in the home)	1 day
Leaking water from water or heating pipe, tank or cistern	1 day
Insecure external window, door or lock	1 day
Partial loss of electric power	3 days
Partial loss of water supply	3 days
Total or partial loss of space or water heating between May to October.	3 days
Blocked sink, bath or basin	3 days
Tap which cannot be turned	3 days
Loose or detached banister or hand rail	3 days
Rotten timber flooring or stair tread	3 days
Leaking roof	7 days
Door entry phone not working	7 days
Mechanical extractor fan in internal (i.e. no external window) kitchen or bathroom not working	7 days

1.2. A qualifying repair must meet the following criteria:

- 1.2.1. It must be categorised as an emergency or as urgent on health and safety grounds
  - 1.2.2. The repair must not cost more than £250 to complete, and
  - 1.2.3. The response time must take into account the special needs of the tenant or leaseholder, including their health, safety or security.
- 1.3. If Connect's contractor fails to complete qualifying repairs within the set time, the tenant or leaseholder can legally request that another contractor carries out the work. In such cases, Connect will instruct an alternative contractor to complete the

repair and will tell the tenant or leaseholder the revised deadline for completion. Failure to complete the repair within the revised deadline will result in compensation being payable as:

- 1.3.1. A one off payment of £10, plus
- 1.3.2. £2 for each day that the repair continues to be outstanding after the revised deadline (up to a maximum of £50).

Connect does not have to gain the tenant’s acceptance of the amount.

1.4. Right to Repair compensation will not be payable if:

- 1.4.1. The tenant or leaseholder has missed notified appointments so access has not been possible
- 1.4.2. The repair has been inspected within set timescales and the tenant has been told that parts have been ordered.

1.5. Right to Repair compensation is administered by the team responsible for the management of the responsive repairs service. It is only payable if:

- 1.5.1. The tenant notified Connect as soon as they were aware of the problem
- 1.5.2. The tenant made reasonable arrangements for access and took steps to minimise damage
- 1.5.3. The tenant told us that the first timescale was not met so we could make a second timescale.

2. **Right to Compensation for Improvements** was introduced as part of the Citizens Charter Scheme in 1994 – it is subject to written evidence being obtained and its calculation is based on a formula set out in SI 1994 (No 613). It is referred to in Connect’s tenancy agreement.

2.1. The Right to Compensation for Improvements applies to tenants at the end of their tenancy and does not apply to leaseholders. Qualifying improvements are shown below:

Qualifying Improvements	Notional Life
Bath, shower, wash-hand basin or toilet	12 years
Kitchen sink, work surfaces for food preparation, storage cupboards in kitchen or bathroom	10 years
Space or water central heating	12 years
Thermostatic radiator valves	7 years
Insulation of pipes, water tank or cylinder	10 years
Loft or cavity wall insulation	20 years

Draft proofing of external doors and windows	8 years
Double glazing or other external window replacement or secondary glazing	20 years
Rewiring or the provision of power and lighting or other electrical fittings (including smoke detectors)	15 years
Any object which improves security of the house (but excluding burglar alarms)	10 years

2.2. Connect may also compensate for other improvements not mentioned above when they are judged to have added to the value and/or lettability of the property. Examples of these improvements may be:

2.2.1. Alterations that improve the environmental sustainability of the property, such as solar panels, ground heat pumps, etc.

2.2.2. Property extensions, patios or conservatories.

2.3. To qualify for Right to Compensation for Improvement, tenants must:

2.3.1. Have received written consent from Connect prior to the improvement being carried out.

2.3.2. Provide three estimates for the work by reputable contractors and have an estimate agreed in writing.

2.3.3. Request compensation no longer than 14 days after the tenancy end date.

2.4. Tenants can claim compensation for the cost of materials (but not appliances) and labour costs (but not their own labour). The amount payable can be up to £3,000 for any one improvement but claims cannot be considered for improvements that are £50 or less.

2.5. The amount of compensation payable is calculated taking into account the estimated value of any (Connect-owned) fixture removed and depreciation of the improvement. Depreciation is calculated by the cost of the improvement divided by the notional life multiplied by the number of complete years it has been installed.

2.6. Right to Compensation for Improvements will not be payable to tenants who apply to purchase their home through Right to Acquire or where the tenancy was ended through possession proceedings.

2.7. Compensation for improvements is administered by the team responsible for planned work programmes.

3. **Home Loss and Disturbance Payments** are stipulated under the terms of the Land Compensation Act 1973 (s 29 – 33) (as amended by the Housing Act 1974 and the Planning Compensation Act 1991 s 68).

- 3.1. A tenant is entitled to a Home Loss payment when they are required by Connect to move out of their property permanently because it is due to be demolished or reconstructed. Home Loss payments are set out by statute and will only apply where the tenant has been living at the property for the last twelve months. The payment can be claimed up to six years after the tenant has moved. The current rate for a Home Loss payment is £4,700.
- 3.2. It is legally acceptable to offset Home Loss payments against a tenant's rent arrears. Therefore, if the account is in arrears, the tenant's rent account is cleared of any arrears and then the balance is paid to the tenant.
- 3.3. Tenants who are entitled to Home Loss payments and those required to move but who do not meet the criteria above, are also entitled to Disturbance Payments. The Law does not state an actual amount, only that they should cover "the reasonable expenses of the person entitled to the payment in removing from the land from which he/she is displaced".
- 3.4. "Reasonable Expenses" can include, but are not limited to:
  - 3.4.1. Payment for removals
  - 3.4.2. Disconnection/reconnection charges
  - 3.4.3. Refitting of carpets, and
  - 3.4.4. Redirection of mail.

They are payable by provision of written estimates / receipts from reputable Contractors.
- 3.5. It is not a statutory requirement, but Connect may also consider, on a case by case basis, requests for displacement payments when tenants are required to move out of their homes on *a temporary basis* for purposes of development or improvement (but not repair).
- 3.6. Home loss and Disturbance payments are administered by the team responsible for lettings.

**Appendix 6:  
Examples of Compensation Payments Made  
for Failures of Service and Goodwill Gestures**

Reason Payment Made	Amount
<b>Under £100</b>	
Refund of bank charges as DD set up incorrectly	£8
Toilet seat damaged by contractors	£30
Failure of out-of-hours service to pass on repair	£40
Goodwill payment re: delay in fitting shower	£50
Delay in repair of shower	£50
Failure to repair leak and damage caused	£50
Missed appointments	£50
Delay of planned programme	£50
Delayed roof repair	£50
Failure to respond to complaint as standards direct	£50
Multiple recalls after boiler installation	£50
Mix up over keys when tenant moved in	£50
Poor work when repairing driveway	£50
Damage to wallpaper	£50
Delay in fitting door resulting in damage to carpet	£70
Delayed leak repair that increased water bill	£75
Failure of gas contractor to attend and distress and inconvenience caused	£75
Rent refund because of staff error	£78
<b>£100-499</b>	
Failing to deal with roof and plumbing repair	£100
Failure to repair, leading to possible rodent entry	£100
Failure of new boiler – damage and mess	£147
Recompense for cleaning required when tenant moved in	£165
Limited support due to staff sickness	£175
Newly fitted sink fell off wall	£200
Void work for disabled tenant not completed with delays and poor communication	£250
Inconvenience due to outstanding repairs in newly let property	£250
Delay to repair of water heating system	£250
Delayed response to plaster repair due to leak	£300
Poor information in relation to a rent refund, resulting in arrears	£335
Missed repairs appointments and repeat visits	£350
Rent refund due to failure to repair kitchen ceiling	£445
<b>£500 and Above</b>	
Delay in keeping tenant fully informed about dealing with water ingress in cellar	£500
Loss of use of sitting room, void work not completed	£600

This appendix was added to provide guidance for Stage 3 Panels. The p&p itself is designed to enable staff to make sensible decisions about levels of compensation within legal and other guidelines. Specific amounts are avoided in the main text as these change year on year and rapidly outdate the p&p. The figures here are from compensation given from April 2013 – March 2015.