



SOUTH
KESTEVEN
DISTRICT
COUNCIL

SOUTH KESTEVEN DISTRICT COUNCIL
HOUSING
COMPENSATION POLICY
JULY 2022

Service Area	Housing		
Policy Owner	Head of Housing		
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1 Introduction

Customer service is one of South Kesteven District Council's core values; it underpins the housing service provided by the Council. We strive to deliver excellence in our services and, as stated in our Customer First Strategy: we want to put our customers first, at the heart of what we do and the services we deliver.

To deliver excellence in our housing service it is essential to recognise when we might get it wrong and apologise to our customers appropriately, which may include financial compensation. Financial compensation aims to provide redress to restore a person to the position that they would have been in had the service failure not occurred.

2 Scope and Purpose of the Policy

- 2.1 Within the scope of this Policy are all current and former tenants, and leaseholders living in South Kesteven District Council's residential properties, including sheltered schemes, and blocks of flats and maisonettes.
- 2.2 This Policy clearly sets out how South Kesteven District Council will meet its legal obligations to offer compensation payments in a fair and proportionate manner. Each case shall be considered on its individual merits with the appropriate levels of discretion and common sense applied whilst promoting consistency.
- 2.3 It also sets out how the Council will respond to incidences in its housing service which may prompt a payment of compensation to customers, such as failures in our Repairs & Maintenance service which may result in certain conditions of disrepair within our housing stock.
- 2.4 Any complaint received by the Council will be dealt with in line with our corporate Customer Feedback Process (Compliments, Comments & Complaints) and we will always try to resolve a problem before the need for compensation arises.
- 2.5 This Policy does not relate to when tenants have suffered a loss as a result of the Council being negligent. Any customer wishing to make an insurance claim should explain in writing how the Council has been negligent and the losses they have suffered as a consequence. All insurance claims are sent to the Council's insurer.
- 2.6 This Policy will assist the Council in monitoring and continually improving its performance in delivering our housing service to customers.

3 Strategic Context

This Policy will assist the Council to meet the long standing aspirations within its Corporate Plan, particularly:

"Housing that Meets the Needs of all Residents."

4 Legislation and Guidance

- 4.1 This Policy will ensure compliance with current legislation and promote good practice. Without being an exhaustive list, it has regard to the:

- Land Compensation Act 1973 (as amended)
- Planning and Compensation Act 1991
- Home Loss Payments (Prescribed Amounts) (England) Regulations 2019 (or regulations replacing these)
- Secure Tenants of Local Housing Authorities (Right to Repair) Regulations 1994 (as amended)
- Housing Act 1985, 1988 and 1996
- Leasehold Reform, Housing and Urban Development Act 1993
- Housing Act 2004
- Landlord and Tenant Act 1985
- Equality Act 2010

4.2 It should be noted that any offer of compensation is made without prejudice, as a good will gesture, and does not signify the acceptance of legal responsibility or liability on the part of South Kesteven District Council. All payments made under this Policy will be issued as full and final settlement for the complaint.

4.3 South Kesteven District Council has legal responsibilities in managing personal data under the General Data Protection Regulation. Information about data protection is available [on our website](#) and available in other formats on request.

5 Equality and Diversity

5.1 South Kesteven District Council recognises that it houses people with a diverse range of needs which may affect their position as a customer of our housing service. We will therefore:

- a) be sensitive to the individual needs and circumstances of the people using our housing service;
- b) meet our responsibility under the Equality Act to our residents with protected characteristics, who may be more affected by a failure in our Repairs & Maintenance service such as the loss of a usable space or amenity to the property;
- c) implement this Policy consistently and consider each request for compensation, or legal obligation to offer compensation, on a case-by-case basis to ensure that all of our customers are treated fairly and any compensation payments made are appropriate; and
- d) monitor our services and the outcomes for people using them in order to ensure that they are fair and responsive to needs.

5.2 To support the needs of customers whose first language is not English, the Council will provide translation and interpretation services when needed. We will ensure that information is accessible and available in other formats such as large print, tape and Braille upon request.

6 The Policy

There are some instances in which South Kesteven District Council will consider paying compensation voluntarily, and some in which we are legally obliged to do so. As well as

statutory payments which are due, our decision to pay compensation may take into account any quantifiable losses, a customer's time and trouble, and any inconvenience caused.

There are three types of compensation payment:

- mandatory (such as statutory home loss payments)
- quantifiable loss payments (where tenants can demonstrate actual loss)
- discretionary payments (for time and trouble/ inconvenience)

6.1 Mandatory Payments

6.1.1 Right to Repair

Under the Right to Repair scheme, customers who are introductory or secure tenants of the Council may be entitled to compensation if certain types of urgent repairs to the property in which they live are not carried out within a set time period.

The repair must be a 'qualifying repair' and cost the Council less than £250.

Examples of qualifying repairs are:

- a) a leaking roof;
- b) the only toilet not flushing;
- c) total / partial loss of heating or hot water; or
- d) total / partial loss of electric power.

If the qualifying repair is not completed within a set time period of either one, three or seven working days, a customer who is the tenant of the property may request that South Kesteven District Council appoint a different contractor to carry out the work instead. Should the repair not be completed within the same time period for a second time, then the customer is eligible for compensation. Up to £50 per repair job may be payable, at the rate of £10 plus £2 for every day, from the day after the end of the second time period until the repair work is completed.

The Right to Repair scheme is covered by [The Secure Tenants of Local Housing Authorities \(Right to Repair\) Regulations 1994](#) (as amended) and the [Leasehold Reform, Housing and Urban Development Act 1993](#). Full details of the defects which count as 'qualifying repairs' and the prescribed timescales in which work should be completed, are set out in Appendix A.

6.1.2 Compensation for Improvements

Customers of South Kesteven District Council who have a secure tenancy and have carried out improvement work to the property in which they live, may be entitled to claim compensation for the work when their tenancy ends.

Examples of the improvements for which customers may claim compensation are as follows:

- a) fitting a bath / shower;
- b) new storage cupboards in bathroom / kitchen;
- c) new work surfaces for food preparation;

- d) installing loft insulation;
- e) double glazing (or other external window replacement); or
- f) re-wiring / provision of electrical fittings.

Each type of improvement has a notional lifespan, which is used to help calculate how much compensation is payable. As an indication, if a new kitchen worktop was fitted five years before the tenancy ended, at the cost of £500, then compensation of £250 may be payable (formula given in Appendix B).

Compensation is only payable if the amount due is between £50 and £3,000. The compensation may be reduced (or increased) if any of the following apply to the improvement work:

- g) the cost was excessive;
- h) it is of a higher quality than if the Council had properly undertaken the work; or
- i) the condition of the installation has deteriorated more or less quickly than expected (compared to the notional lifespan).

If a customer wishes to claim compensation for improvements, they must:

- j) make their claim to the Council in writing;
- k) provide sufficient information about the improvement work;
- l) apply within 28 days before and 14 days after the end of their tenancy;
- m) have obtained the Council's consent to the improvement work before they claim; and
- n) have started the improvement work after 1 April 1994.

A customer may claim whether they are a sole or joint secure tenant, and are moving home via a mutual exchange, transfer or becoming a tenant of another social landlord. Some of the reasons for which improvements are ineligible for compensation are: the tenancy has ended due to eviction, the customer has exercised the Right to Buy, or a new tenancy of substantially the same property has been granted to the claimant.

This type of statutory compensation is covered by [The Secure Tenants of Local Authorities \(Compensation for Improvements\) Regulations 1994](#), which set out what counts as a 'qualifying improvement' and how the amount of compensation is calculated. Further details are included in Appendix B.

6.1.3 Home Loss / Disturbance Payments

'Home loss payments' and 'disturbance payments' are two types of statutory compensation which are covered by the [Land Compensation Act 1973](#), as amended by the [Planning and Compensation Act 1991](#).

6.1.3.1 Home loss payments

A customer living in a residential property for which South Kesteven District Council is the landlord (including owners of leasehold properties) may claim a 'home loss payment' if they are required to move home permanently due to the redevelopment or demolition of the property.

Full details are set out in the relevant legislation, including that the person claiming must:

- a) have occupied the property for at least 12 months;
- b) use it as their main residence; and
- c) have the necessary right to occupy, or legal interest in, the property.

Claims must be made in writing and any payment made will be divided between customers who are joint tenants or leaseholders.

The amount of 'home loss payment' due at the time of writing is set by the [Home Loss Payments \(Prescribed Amounts\) \(England\) Regulations 2019](#).

6.1.3.2 Disturbance payments

Where a customer is not eligible for a 'home loss payment', for example they are required to move out of the property temporarily or have lived there for less than 12 months, a 'disturbance payment' may be made. This payment is for the reasonable costs of moving home, including as required:

- a) removal costs;
- b) disconnection and reconnection of home appliances (cookers, washing machines and showers);
- c) transferring a landline telephone number;
- d) redirecting mail;
- e) refitting carpets; or
- f) refitting a TV aerial or satellite dish.

6.2 Quantifiable Loss Payments

Standards of Repair

6.2.1 Decoration Grant

The Council may pay to customers a contribution towards the cost of internal redecoration of a part or whole of the property:

- a) at the start of their tenancy if the standard of decoration does not meet the relevant standard; or
- b) during their tenancy after the completion of repair works to the property, such as extensive wiring or plumbing, which leave the decoration at a lower standard than it was found before the works began.

Any contribution will be in the form of vouchers to be used to purchase decorating materials such as paint, to a maximum of £300 per property.

6.2.2 Cooker Renewal

There are some tenanted properties in the Council's sheltered schemes which include use of a cooker provided by the Council. Should the cooker become uneconomical to repair, a contribution of £200 will be made to customers for the replacement of the cooker which was provided with the property.

6.3 Discretionary Payments

Landlords are expected to have a compensation policy which provides guidance on when it will consider offering discretionary compensation. These are sometimes referred to as a gesture of goodwill. South Kesteven will consider discretionary payments for circumstances such as:

- poor complaint handling
- delays in providing a service e.g. in undertaking a repair
- failure to provide a service that has been charged for
- temporary loss of amenity
- failure to meet target response times
- loss of use of part of the property
- failure to follow policy and procedure
- unreasonable time taken to resolve a situation

This list is not exclusive and the council will always work with the tenant to resolve any issues.

Temporary Loss of Amenities

Any compensation offered for loss of amenities applies to customers who are tenants of South Kesteven District Council.

6.3.1 Usable Space

The Council may offer compensation to customers on request for loss of usable space, as a proportion of the weekly rent due for the property.

What constitutes an 'unusable' room will be considered on a case-by-case basis. For example: an unsafe or collapsed floor or ceiling, severe damp, or the complete loss of electricity in the room. When a room is regarded as unusable by our Repairs & Maintenance Team, compensation may be paid as follows:

Complete loss of kitchen / bathroom:

- c) 25% of the weekly rent after 48 hours. For loss of bathroom this is reduced to 15% of weekly rent if a separate WC is available.
- d) Any compensation for loss of kitchen / bathroom where programmed maintenance works have been pre-arranged and advance notification has been given to resident(s), allowing alternative arrangements to be made, will take effect after four days instead of 48 hours.

Complete loss of living area / bedroom:

- e) 20% of the weekly rent after seven days.

6.3.2 Heating / Hot Water

The Council may offer compensation on request to customers experiencing complete loss of the heating or hot water system. This is set at £2 per calendar day for the loss of either heating or hot water (to a maximum of £4 per day). Payment will be calculated from the day the need for repair was reported to the Council, to the day the repair was completed.

6.3.3 Use of Dehumidifier

Where use of a dehumidifier has been required for at least seven calendar days, the Council may offer on request £10 in compensation for each seven calendar day period.

6.4 Right to Repair

Under the Right to Repair scheme, customers who are introductory or secure tenants of the Council may be entitled to compensation if certain types of urgent repairs to the property in which they live are not carried out within a set time period.

The repair must be a 'qualifying repair' and cost the Council less than £250. Examples of qualifying repairs are:

- a leaking roof;
- the only toilet not flushing;
- total / partial loss of heating or hot water; or
- total / partial loss of electric power.

If the qualifying repair is not completed within a set time period of either one, three or seven working days, a customer who is the tenant of the property may request that South Kesteven District Council appoint a different contractor to carry out the work instead. Should the repair not be completed within the same time period for a second time, then the customer is eligible for compensation. Up to £50 per repair job may be payable, at the rate of £10 plus £2 for every day, from the day after the end of the second time period until the repair work is completed.

The Right to Repair scheme is covered by [The Secure Tenants of Local Housing Authorities \(Right to Repair\) Regulations 1994](#) (as amended) and the [Leasehold Reform, Housing and Urban Development Act 1993](#). Full details of the defects which count as 'qualifying repairs' and the prescribed timescales in which work should be completed, are set out in Appendix A.

6.5 Compensation for Improvements

Customers of South Kesteven District Council who have a secure tenancy and have carried out improvement work to the property in which they live, may be entitled to claim compensation for the work when their tenancy ends.

Examples of the improvements for which customers may claim compensation are as follows:

- fitting a bath / shower;
- new storage cupboards in bathroom / kitchen;
- new work surfaces for food preparation;
- installing loft insulation;
- double glazing (or other external window replacement); or
- re-wiring / provision of electrical fittings.

Each type of improvement has a notional lifespan, which is used to help calculate how much compensation is payable. As an indication, if a new kitchen worktop was

fitted five years before the tenancy ended, at the cost of £500, then compensation of £250 may be payable (formula given in Appendix B).

Compensation is only payable if the amount due is between £50 and £3,000. The compensation may be reduced (or increased) if any of the following apply to the improvement work:

- the cost was excessive;
- it is of a higher quality than if the Council had properly undertaken the work; or
- the condition of the installation has deteriorated more or less quickly than expected (compared to the notional lifespan).
- If a customer wishes to claim compensation for improvements, they must:
- make their claim to the Council in writing;
- provide sufficient information about the improvement work;
- apply within 28 days before and 14 days after the end of their tenancy;
- have obtained the Council's consent to the improvement work before they claim; and
- have started the improvement work after 1 April 1994.

A customer may claim whether they are a sole or joint secure tenant, and are moving home via a mutual exchange, transfer or becoming a tenant of another social landlord. Some of the reasons for which improvements are ineligible for compensation are: the tenancy has ended due to eviction, the customer has exercised the Right to Buy, or a new tenancy of substantially the same property has been granted to the claimant.

This type of statutory compensation is covered by [The Secure Tenants of Local Authorities \(Compensation for Improvements\) Regulations 1994](#), which set out what counts as a 'qualifying improvement' and how the amount of compensation is calculated. Further details are included in Appendix B.

6.6 Home Loss / Disturbance Payments

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6.6.1 Home loss payments

A customer living in a residential property for which South Kesteven District Council is the landlord (including owners of leasehold properties) may claim a 'home loss payment' if they are required to move home permanently due to the redevelopment or demolition of the property.

Full details are set out in the relevant legislation, including that the person claiming must:

- have occupied the property for at least 12 months;
- use it as their main residence; and
- have the necessary right to occupy, or legal interest in, the property.

Claims must be made in writing and any payment made will be divided between customers who are joint tenants or leaseholders.

The amount of 'home loss payment' due at the time of writing is set by the [Home Loss Payments \(Prescribed Amounts\) \(England\) Regulations 2019](#).

6.6.2 Disturbance payments

Where a customer is not eligible for a 'home loss payment', for example they are required to move out of the property temporarily or have lived there for less than 12 months, a 'disturbance payment' may be made. This payment is for the reasonable costs of moving home, including as required:

- removal costs;
- disconnection and reconnection of home appliances (cookers, washing machines and showers);
- transferring a landline telephone number;
- redirecting mail;
- refitting carpets; or
- refitting a TV aerial or satellite dish.

6.7 Pre-action Protocol for Disrepair

In an instance that we have been notified of a need for repair to one of our residential dwellings or blocks of flats, but have failed to rectify the problem, a customer may wish to make a claim against South Kesteven District Council for disrepair. The pre-action protocol sets out a process for customers (whether tenant, leaseholder, or resident member of their family), and the Council to follow.

The protocol aims to avoid the need to go to Court by finding an appropriate solution via alternative methods of resolution, such as:

- a) the Council's complaints procedure (see 8);
- b) the Right to Repair scheme (see 6.4); or
- c) the Housing Ombudsman Service.

Details of the pre-action protocol for disrepair, including template letters, can be found on the [Ministry of Justice](#) website.

7 Ineligibility for Compensation

There are some instances in which a customer will not be eligible for compensation under the above schemes. These may include (and are not limited to) situations where:

- a) a temporary repair is carried out;
- b) customers have not fully co-operated with our contractors to aid timely completion of a repair (such as contractors making reasonable efforts to access the property without success);
- c) loss or damage has been caused to the property by a resident, family member or visitor;
- d) repair work is delayed or not completed because the repair was not reported to the Council;

- e) repair work is cancelled due to unforeseen circumstances such as extreme weather conditions;
- f) loss of amenity is caused by unavoidable conditions beyond the Council's fault or control, such as utilities outage, extreme weather, or fire;
- g) improvement or repair works to the property result in unavoidable low level damage, for example temporary removal of or holes in floor coverings caused by plumbing work;
- h) alterations or improvements are made to the property by the customer without written approval from the Council or to an inadequate standard; or
- i) the Council is not responsible for the repair work.

8 Responsibilities

8.1 Customers are responsible for adhering to their respective tenancy or lease agreements with South Kesteven District Council. Breaches of agreement will be addressed in accordance with the relevant policy, ensuring any action taken is reasonable and proportionate given the circumstance and the impact of the breach.

Depending on the breach of agreement, and any relevant legislation, this may result in compensation not being payable.

8.2 Where a customer has a debt owed to the Council any compensation will be first applied to the account which is in debt to clear or reduce the outstanding balance. This includes (but not exclusively) debts relating to a current or former tenancy account, leaseholder account, council tax or other sundry debts.

This applies to all cases of compensation apart from section 6.6: Home Loss / Disturbance Payments.

8.3 The compensation payments shall be signed off and authorised by either the Head of Housing, the Head of Technical Services, the Assistant Director of Housing or the Director of Housing and Property.

9 Complaints

Details of South Kesteven District Council's corporate complaints process can be found on our website and are available in other formats on request. The procedure includes three stages which attempt to resolve any dissatisfaction with the Council's services, followed by the right of appeal should a customer wish to do so.

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.

10 Related Policies and Documents

- Housing Ombudsman's Complaint Handling Code
- Tenancy Policy
- Tenancy Agreement

- Tenancy Handbook
- Leasehold Management Policy
- Asset Management Strategy
- Recharge Policy
- Aids and Adaptations Policy for Council Tenants
- Complaint's policies and procedures
- Equality and Diversity Framework

11 Review

This Policy will be reviewed every three years, unless legislative or regulatory changes require an earlier review. If Council staff become aware that there are problems with effective operation of the Policy or the associated procedures, they should report this to the Policy Owner. This feedback will be incorporated into the Policy / procedural review process.

APPENDIX A: Right to Repair

The Secure Tenants of Local Housing Authorities (Right to Repair) Regulations 1994,
[Schedule:](#)

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
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

Defect	Prescribed period (in working days)
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

For full conditions please refer to the relevant legislation.

APPENDIX B: Compensation for Improvements

The Secure Tenants of Local Authorities (Compensation for Improvements) Regulations 1994, [Schedule](#):

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

For full conditions please refer to the relevant legislation.