

STOKE-ON-TRENT CITY COUNCIL



City of
Stoke-on-Trent

Tenant and Leaseholder Compensation Policy

Housing Revenue Account Services

**Enabling and Projects Team
August 2017**

**Approved by: Carl Brazier, Director of Housing and Customer Services
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1. Purpose

Stoke-on-Trent City Council recognises that occasions do arise when it has to permanently relocate tenants or leaseholders. The purpose of this policy is to set out the circumstances in which Stoke-on-Trent City Council may make a monetary payment in recognition of loss or detriment suffered, as a result of this move, in the form of compensation to a customer who has an interest in a property owned and / or managed by Stoke-on-Trent City Council under the terms of a tenancy or lease.

This policy also details who is entitled to make a claim for compensation and how the amount of compensation awarded will be determined.

This policy does not cover payments to settle claims for personal injury. These are dealt with separately by Stoke-on-Trent City Council's insurers.

This policy does not cover the provision to financially compensate for reasonable expenses incurred when a tenant is temporarily decanted to another property whilst their home receives major repair works, refurbishment, or undergoing remedial work; this will be set out within the City Council's Decanting Policy.

This policy is intended to provide general guidance only. Each individual claim for compensation will be considered on its particular merits against the statutory and policy framework.

This policy should be read in conjunction with Stoke-on-Trent City Council's Corporate Compliments, Comments and Complaints procedure (2013), which may be used by customers who feel they have experienced a service failure.

2. Key Principles and Service Standards

Stoke-on-Trent City Council is committed to achieving the highest possible standards in the services it provides. This policy will ensure that a consistent and fair approach to compensation is taken by:

- Ensuring that tenants and leaseholders are not materially disadvantaged as a result of asset management, repairs or service failures.
- Applying this policy effectively and proportionately.

3. Legal and Regulatory Framework

This policy is primarily underpinned by statutory legislation, comprising:

- Section 92 Local Government Act 2000
- Section 99A Housing Act 1985 and The Secure Tenants of Local Authorities (Compensation for Improvements) Regulations 1994.
- Section 29 Land Compensation Act 1973 and The Home Loss Payments (Prescribed Amounts) (England) Regulations 2016.

- Section 30 Land Compensation Act 1973.
- Section 32 Land Compensation Act 1973.
- Section 37 Land Compensation Act 1973.

4. Equalities Statement

Stoke-on-Trent City Council will ensure that this policy is applied fairly and consistently to customers. The council will not directly or indirectly discriminate against any person or groups or people because of their gender, race, religion, age, disability, sexual orientation and marital status. An Equality Impact Assessment has been completed to inform the policy. When applying this policy the Stoke-on-Trent City Council will act sensitively towards the diverse needs of individuals and communities.

5. Policy Detail

5.1 Right to Compensation for Improvements

Customers who are a secure tenant with Stoke-on-Trent City Council are entitled to compensation for certain improvements they have made, following a move from their property.¹ When a customer, who is a secure tenant, moves from their property, they may be entitled to compensation if:

- they have carried out a qualifying improvement to their property²;
- they have obtained the written consent of Stoke-on-Trent City Council; and
- the cost of an improvement is £50 or more³.

A qualifying improvement is one that is listed in the table detailed in Appendix A to this policy.

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

To make a claim the customer must write to their local Housing Office, within the period starting 28 days before, and ending 14 days after, the tenancy ends and provide the following information:

- Details of the improvements made;
- Confirmation of how much each improvement cost, including a copy of the invoice to show how much the work cost;
- Copies of all relevant certificates demonstrating that the improvement has met required legislation and building control standards (e.g. FENSA certificates, planning approval etc.);and
- The date the improvements began and finished.

¹ As determined by 'The Secure Tenants of Local Housing Authorities (Compensation for Improvements) Regulations 1994'

² The improvements must have been carried out after April 1994.

³ An improvement that is £50 or less will not entitle a customer to claim compensation; and internal decoration and replacing carpets is not an improvement.

Details of local Housing Offices maybe found on the Stoke-on-Trent City Council's website; https://www.stoke.gov.uk/directory/28/customer_service_centres or requested by telephoning the council's contact centre on 01782 234 234.

Stoke-on-Trent City Council will inspect the improvements and information provided to ensure that the works have been completed to an acceptable standard before considering whether to make an offer of compensation. If works fail to meet this standard, or relevant safety certificates cannot be provided, no compensation will be offered and the customer may be asked to re-instate the property to its original condition at their own expense.

Stoke-on-Trent City Council will take into consideration the following factors when determining the level of compensation:

- the cost of the improvement;
- the time since the improvement was completed; and
- the notional lifespan of the improvement.

The level of compensation payable may be reduced or increased if:

- The cost of the improvement was excessive.
- The improvement is of a higher quality than it would have been had the landlord carried out the work.
- The improvement has deteriorated at a greater (or lesser) rate than the expected notional life, as detailed in Appendix A, for normal wear and tear.
- If the improvement was funded by a grant.

Customers will not be entitled to claim compensation if they have assigned their tenancy to someone else, purchased their property under the Right to Buy, or the tenancy was brought to an end by way of a court order. In addition Stoke-on-Trent City Council may refuse claims for compensation if the improvements were not authorised. More information on tenant improvements, including acceptable works and authorisations, can be found in the Tenancy and Estate Management Policy.

5.2 Home Loss Payments

A Home Loss payment shall be made in recognition of the personal distress, upheaval and inconvenience a customer is caused if they have to leave their home permanently because the dwelling is subject to major improvements as part of regeneration scheme or is to be sold or demolished as part of a redevelopment scheme. Under these circumstances Stoke-on-Trent City Council will work with customers in a planned and managed way to allow as much notice as possible, of the requirement to move. In addition, a move may also be required because it is considered uneconomical to repair the property (for example, after a major fire or structural failure). As a result of this, the council may:

- seek a Possession Order under grounds 10 or 10A in Part II of Schedule 2 to the Housing Act 1985
- seek possession by agreement and serve notice of proceedings for possession under grounds 10 or 10A in Part II of Schedule 2 to the Housing Act 1985.

5.2.1 Home Loss for Tenants

A customer who is either a secure or introductory tenant is entitled to make a claim for a Home Loss Payment if they have occupied the property as their sole or main home for a period of one year before the date they are required to leave, the move is permanent and in consequence of one the conditions set out above.

Where a customer satisfies all the above conditions but has not occupied the property as their sole or main home for a period of one year before the date they are required to leave permanently, they may be entitled to claim a Discretionary Payment for Home Loss payment.

A customer entitled to make a claim must do so in writing and within 6 years from the date they were required to permanently leave the property.

The council will aim to make a decision within 28 days of receipt of the written claim and supporting information. Any Home Loss or Discretionary Home Loss Payment shall be paid on or before the latest of the following dates:

- the date on which they are required to permanently leave their home; or
- the expiration of 3 months from the date the written claim was received by Stoke-on-Trent City Council.

The amount payable to customers who are required to permanently leave their property after the 1st October 2016 is £5,800⁴.

In circumstances where two customers who are joint tenants are entitled to claim a Home Loss or Discretionary Payment, only one payment will be made which will be shared between the customers entitled to claim.

A customer is not entitled to claim Home Loss Payments or Discretionary Home Loss Payment if any of the following apply:

- They voluntarily decide to leave the property and their reason for leaving is not as a result of the improvement or redevelopment.
- They are evicted before being required to permanently leave the property to enable the improvements or redevelopment
- They have moved out of the property for major repair works to be undertaken which the customer has caused through damage or neglect.

5.2.2 Home Loss for Leaseholders

Home Loss payments are in addition to any compensation that may be due to a leaseholder in respect of the value of a legal interest in their property, where their home is compulsorily purchased. Under these circumstances Stoke-on-Trent City Council will work with

⁴ This amount will change on an annual basis. The current amount is prescribed by the Home loss Payments (Prescribed Amounts) (England) Regulations 2016.

customers in a planned and managed way to allow as much notice as possible, of the requirement to compulsorily purchase their home. A customer who is a leaseholder with Stoke-on-Trent City Council is entitled to claim a Home Loss payment if they satisfy the following conditions:

- they are required to sell the leasehold to enable Stoke-on-Trent City Council to carry out major improvements to the property or redevelopment on the land; or
- a housing order in respect of the property has been made; and
- they have occupied the property as their sole or main residence for a period of one year before the date of displacement; and
- the move must be permanent.

Home Loss shall be payable on completion of the sale to Stoke-on-Trent City Council, subject to vacant possession being provided.

A customer entitled to make a claim must do so in writing and within 6 years from the date they were required to permanently leave the property. The council will aim to make a decision within 28 days of receipt of the written claim and supporting information. Any Home Loss or Discretionary Home Loss Payment shall be paid on or before the latest of the following dates:

- the date on which they are required to permanently leave their home; or
- the expiration of 3 months from the date the written claim was received by Stoke-on-Trent City Council.

The amount of Home Loss payable to customers who are required to permanently leave their property after the 1st October 2016 will be equivalent to 10% of the market value of the property with a minimum amount payable of £5,800 and a maximum amount of £58,000⁵.

In circumstances where there are co-owners one Home Loss Payment will be shared between them.

There may be circumstances where a Leaseholder has rented out their property. In such cases, where their property is acquired by a compulsory purchase order, by agreement, the tenant of the leaseholder may be entitled to a Home Loss Payment, where they satisfy the conditions noted above.

5.3 Disturbance Payments

A Disturbance Payment is payable in addition to Home Loss and is intended to cover the reasonable expenses a customer, who is an Introductory or Secure tenant or a leaseholder of Stoke-on-Trent City Council, incurs when moving, if they have to permanently leave their home in consequence of any of the following;

⁵ This amount will change on an annual basis. The current amount is prescribed by the Home loss Payments (Prescribed Amounts) (England) Regulations 2016.

- the carrying out of any major improvement to the property as part of regeneration or redevelopment, or the demolition or decommissioning of the property as part of redevelopment on the land, or
- the making of a Housing Order

To claim a Disturbance Payment, the customer must submit a written claim which must include written estimates from reputable contractors of the expenses that will be incurred by having to permanently leave their home.

Reasonable expenses include, but are not limited to:

- Removal costs – professional removal or van hire costs.
- Cost of alteration of soft furnishings, including refitting and alteration of carpets, the alteration of curtains and blinds, and the re-fixing of curtain rails.
- A contribution towards new curtains and carpets (of a similar standard) if the original ones cannot be adapted to fit the windows and floors of the new home.
- Disconnection and reconnection costs for telephones, subscription television packages, internet connection charges, cookers, washing machines and other plumbed-in items.
- Cost of redirection of mail.
- A contribution towards new school uniforms (where a change of school is necessary).
- Cost of refitting of alarms and security locks.
- Cost of refitting special adaptations.
- Cost of moving and re-erecting aerials and satellite dishes.
- Cost of redecoration.
- Purchase of cookers, if the energy supply is different in their new home.
- Loss of wages where time off is unavoidable (proof required from employer).
- Comparable modifications required to meet the needs of a person with disability.

The council will consider the vulnerability needs of customers and as such will support them through the process of moving. As part of this assistance, the council, with the consent of the tenant or leaseholder, may make arrangements on their behalf. This may include paying for services as listed above directly on behalf of the customer.

No Disturbance Payments will be made in if the customer secures a permanent move or the tenancy is surrendered for reasons other than the impending scheme of improvement / redevelopment or the making of a housing order.

There may be circumstances where a Leaseholder has rented out their property. In such cases, where their property is acquired by a compulsory purchase order, by agreement, the tenant of the leaseholder may be entitled to a Disturbance Payment, where they satisfy the conditions noted above.

5.4 Payments as a Gesture of Good Will

Stoke-on-Trent City Council may consider to making a monetary payment as a gesture of goodwill where service delivery failings cause exceptional inconvenience, stress, disturbance or annoyance.

Any requests for compensation as a result of a service delivery failure will be dealt with under the Corporate Compliments, Comments and Complaints Procedure. Please refer to that document for details of how a customer may be entitled to claim.

5.5 Payment of Compensation to Customers

Any offer of compensation will be made to a customer in writing. The customer must confirm in writing if they accept the payment as full and final settlement of their claim.

Compensation payments to customers will be offset against any housing debts owing to the council, including rent arrears, or re-charges for rectification of damage. Following the offset, any balance remaining will be paid direct to the customer.

5.6 Review of Decisions

A customer aggrieved by a decision not to award compensation can request that the decision is reviewed by registering a complaint through the Compliments, Comments and Complaints Procedure. If customers feel that the value of a discretionary payment offer does not reflect the level of inconvenience, distress or the costs of the damage they can escalate their complaint through the stages of the Complaints Procedure. The decision will be reviewed by a more senior manager who was not involved in the original decision. In line with this procedure, the initial complaint will be acknowledged in writing within two working days and information will be provided about who is dealing with the complaint. The Stoke-on-Trent City Council will aim to respond within 10 working days. If the complaint is more complicated, it may take longer to sort it out but the complainant will be kept informed.

5.7 Disputes

If customers remain dissatisfied with the offer the case can be considered by the Housing Ombudsman who will ensure that the offer is in line with the principles set out within this policy.

In the event the council is unable to resolve matters of dispute through our internal processes a customer may be entitled to refer a claim to the County Court. The claim will be considered by the County Court. The County Court has the discretion to refer the case on to the Upper Tier Tribunal. Any dispute as to the amount of a Disturbance Payment awarded shall be referred to and determined by the Upper Tier Tribunal.

5.8 Insurance Claims

There is a separate process for dealing with such claims of negligence, public liability and insurance claims and these are outside the scope of this policy.

Tenants and leaseholders are expected to take out contents insurance, for which there are numerous insurance providers who offer low cost schemes. The council makes it easy for tenants to insure their belongings under a special household contents insurance scheme. The scheme is arranged with Royal and Sun Alliance Insurance PLC and is available just for tenants and Right-to-Buy customers of Stoke-on-Trent City Council. The cost of insurance is payable weekly, monthly or annually and can be paid with the rent.

If a customer alleges negligence in some way Stoke-on-Trent City Council reserves the right to refer the claim to its solicitors or insurers for investigation. Examples of this may include (but are not exhaustive) where:

- The customer suggests that they, or a member of the household, have suffered a personal injury as a result of something Stoke-on-Trent City Council or its agents/contractors have done or not done.
- The customer feels that they have suffered a loss of reputation as a result of something Stoke-on-Trent City Council or its agents/contractors have done or not done.
- Damage to personal belongings (excluding damage interior décor as a result of a routine repair).

6 Financial Implications

This policy will be delivered within the resources of the Housing Revenue Account. Where payments relate to leaseholders or tenants of leaseholder, these will be funded within the resources of the General Fund. All payments will require approval from the senior officer managing the move, having regard for the budget allocated for this purpose.

7. Consultation

The development of this policy has included views from a range of relevant stakeholders including Finance, Co-operative Working, Tenant and Leaseholder Involvement, Housing Assets Team and the Housing Management as well as consideration by Legal Services. The wider scope of the policy also allowed reflection of best practice elsewhere and incorporated the relevant statutory requirements.

The policy was presented to the Tenant Board in November 2016, resulting in only minor amendments to the order of the textual content. The policy was further developed alongside the Decants Policy, following advice from Legal Services, as two complimentary policies. Subsequently, the policy was considered by the Leaseholder Panel in March 2017, Tenant Board in April 2017 and as part of a 'Policy Discussion' workshop for Leaseholder Panel members in July 2017.

8. Links to Other Policies

Compensation underpins a number of other linked HRA policies, namely:

- Decant Policy (Draft) (2017)
- Allocations Policy (2016)
- Aids and Adaptations Policy (2014)
- Value for Money Policy (2013)
- HRA Performance Framework (2013)
- Repairs and Maintenance Policy (2015)
- Void Management Policy (2013)
- Tenancy and Estate Management Policy (2015)
- Corporate Compliments, Comments and Complaints Procedure (2013)

8. Measuring Performance

Performance in relation to the implementation of this policy will be monitored through the department's Performance Framework, to include;

- Total spend on discretionary Home Loss payments.
- Number of upheld or partially upheld complaints
- Customer satisfaction with the outcome of complaints.

9. Policy Review

The policy will be reviewed periodically to ensure it is consistent with changes in legislation, for example,

- The changes to the amount of Home Loss Payments which are currently prescribed by the Home loss Payments (Prescribed Amounts) (England) Regulations 2016, and reviewed on an annual basis.
- The changes proposed in the Housing and Planning Act, 2016, which will affect a tenant's right to compensation for improvements for new style fixed term tenancies. As at November 2016 no commencement date has been set for the relevant sections of the Act to come into force.

As standard, the policy will be reviewed at two yearly intervals.

Appendix A – Qualifying Improvements

Qualifying improvements under The Secure Tenants of Local Authorities (Compensation for Improvements) Regulations 1994;

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

Key Contacts

For comments or complaints about a service or to request compensation please contact the Customer Feedback Team:

- Telephone: 01782 235921
- Send us an email to customer.feedback@stoke.gov.uk
- Post: Customer Feedback Team, Stoke-on-Trent City Council, Floor 2, Civic Centre, Glebe Street, Stoke-on-Trent, ST4 1HH.
- On-line form: www.stoke.gov.uk

For comments in relation to this policy and its development please contact the Enabling and Projects Team:

- Telephone: 01782 238800 (office hours only)
- Email: housing.strategy@stoke.gov.uk

For further information on how to influence policy development, please contact the Tenant Involvement Team;

- Telephone: 01782 235916 (office hours only)
- Email: tenantinvolvementteam@stoke.gov.uk

Glossary / Definitions

Throughout this policy document, it is inevitable that words or phrases are used that are readily understood by some readers, but which are new to other readers and their meaning is not immediately apparent. The meaning of some words / phrases used in this document is given below:

Customer – within this policy the term customer refers to either a tenant or leaseholders of Stoke-on-Trent City Council.

Tenant Improvements - the term used for works carried out on the property by the tenant with the permission of the city council.

Recharges – the cost of repairing or putting right damage or neglect to the property. The costs are charged to the tenant and reclaimed.

Permanent Decant - when a resident is moved out of their property and there is no intention to return them to it.

Temporary Decant - when a resident is moved out of their property, to enable work on the property to be carried out, with the intention of returning them to the property at the earliest opportunity.

Compliments, Comments and Complaints Policy – Stoke-on-Trent City Council's Corporate policy and procedures relating to resident feedback and complaints.

Public Liability – the legal liability for injury or damages caused by negligence or the breach of a statutory duty. Claims related to such liability are dealt with through the council's insurance arrangements.