Nacro Housing Compensation Policy & Procedure

Title: Nacro Housing Compensation Policy **OPY803**		**Version 1.0**	
Authorised by	Peter Airey, Director of Housing	**Date Authorised**	February 2024
Annual Check	February 2025	**Next Full Review Date**	February 2026

Contents

Policy

1.0 Purpose of the Policy

Nacro is committed to consistently provide an excellent service to all our service users. However, we recognise that there are times when our service fails to meet the high standards we have set. If we fail to meet our own service standards or provide a poor service, we aim to put things right. At times this may involve paying compensation. We recognise that our service user's support needs may mean that they are additionally adversely affected by any failure to meet expected service standards.

The aim of this policy is to assist staff in ensuring that a standardised approach is taken in considering compensation requests, fairly, consistently, and impartially, by balancing the needs of the individual with a recognition that all compensation paid is funded from Nacro's income, in particular rent and service charges from all tenants.

In making compensation, we will be fair and consistent, and apologise for any inconvenience caused.

This policy has been developed to accompany Nacro's Complaints Policy and Procedures and to comply with the Housing Ombudsman Service and their statutory requirements, rules and guidance, legislation issued by Government departments.

2.0 Scope of the Policy

The policy covers all Nacro's service users that are tenants. In exceptional circumstances, it may also apply to those not in receipt of our services, subject to Director's discretion.

This policy does not apply to any payments resulting from clauses in agreements with those we hold contracts with, including landlords that Nacro leases properties from.

Delivery of this policy applies to all staff. Any member of staff responsible for managing a service must ensure they are familiar with this policy and the Nacro Complaints Policy, alongside any relevant legal requirements of the included in tenancies and licenses.

This policy should be read in conjunction with the Housing Compliments, Suggestions and Complaints Policy.

2.1 Definitions

There are two types of compensation, as determined by the Housing Ombudsman these are Compensation Required by Law (statutory obligation) and Discretionary Compensation:

Statutory obligation: There are circumstances which compensation is payable by landlord as part of Statutory obligations such as Home Loss/ Disturbance Payments and Right to Improvements.

Discretionary compensation: The level of compensation will be proportionate with the level of time, trouble, and inconvenience, due to Nacro's action or inaction. Discretionary compensation will be determined and assessed for the service delivery in which the complaint has been received. These should be issued in accordance with the amounts detailed in the Compensation Amounts Guidance, appendix one.

2.2 Relevant National Standards or Regulation

- Governance and Financial Viability Standard
- Home Standard
- Tenancy Standard
- Tenant Involvement and Empowerment Standard

Relevant Legislation Please list any legislation applicable to the Policy

- Planning and Compensation Act 1991)
- The Home Loss Payment (Prescribed Amounts) (England) Regulations
- Housing Act 1985

3.0 Risk

As a landlord and a charity Nacro has a responsibility to limit its risks and ensure that it is compliant with regulatory requirements and financial regulations. The risk to the business from unmet needs of service users and incorrect calculation of compensation requirements can lead to action from the Housing Ombudsman and make the difference between viable services and failing services. This creates an added reputational risk and the possibility of losing contracts.

4.0 Equality Impact Assessment

An equality impact assessment has been carried out in line with Nacro's Equality and Diversity procedure. It recognises that within this policy, there is the potential that those with protected characteristics, particularly those with disabilities, could be more adversely impacted by service failures and this should be considered in discretionary decision-making regarding compensation award.

5.0 Data Impact Assessment

Nacro collects and uses personal data and special categories of personal data, for example about its staff and service users, to fulfil its purpose and to meet its statutory obligations. There are no identified risks for data within this policy or procedure.

6.0 Consultation

This Policy is governed by statute overseen by the Housing Ombudsman and the Regulator of Social Housing. Although service users and staff have been consulted on the information and the scope of the policy, it is not possible to seek the views of either on the specific compensation amounts set out within this policy, as they are largely statutory.

Procedure

1.0 Use of compensation

If we fail to meet our published service standards (where available), our staff are empowered to put things right. Non-financial remedies are usually appropriate in the first instance, and we will not offer compensation in every instance. Compensation and / or goodwill gestures may be appropriate to cover loss, inconvenience or to demonstrate Nacro's apologies. Compensation will be proportionate to the detriment causes by the service failure.

Compensation may be considered at any of the three stages of Nacro's complaints policy. Usually, compensation will not be offered until all service failures or outstanding works have been resolved. The complaints policy promotes resolution of the situation as rapidly as possible. All compensation payments will be made in-line with the compensation amounts as detailed in the Compensation Amounts Procedure, appendix one.

2.0 Methods of Compensation

- Apologising
- Rectifying our mistakes
- Additional Service in kind, this is a service above our normal service offer to support the service user, i.e., decorate a room, providing additional furniture
- Making a financial offer of compensation in accordance with our policies and procedures, by rent credit or BACs payment.
- Other Remedies - Not all the remedies that Nacro can propose fall neatly within one of the categories listed above. Our staff use their discretion to decide on the best remedy for a case and may therefore set out a remedy that does not fall into one of the categories above but is tailored to the individual circumstances of that complaint.

3.0 Compensation Award

Whether to financially compensate or not, and the amount of compensation will depend upon what the claim relates to, and the type of claim being made. Detailed guidance of the appropriate amount can be found in the Compensation Amounts Guidance, appendix one.

Factors we may consider when deciding whether financial compensation is payable, and the overall amount of discretionary compensation include: (this list is not exhaustive)

- Failure to comply with Service Standards, such as delay with repairs
- The duration of any avoidable distress or inconvenience due to Nacro's action or in action
- Loss of facilities, including rooms, where this issue has not been resolved with service standards
- Actions by the complainant or the landlord which either mitigated or contributed to actual financial loss, distress, inconvenience, or unfair impact
- Damaged or loss of belongings due to Nacro's action, inaction, or that of its third-party contractors. Damaged items should be photographed and reported immediately.
- Additional costs incurred due to Nacro's action or inaction
- Delay or poor responses to customers' complaints

There are circumstances when compensation will not normally be considered. These are when it is/relates to:

- The fault of a third party (e.g., utility supplier).
- Covered by service users' own home contents insurance (as outlined in their tenancy agreement).
- For loss of items already considered by Nacro's insurers and found to be outside our responsibility
- A situation which has been caused by the complainant (e.g., neglect/lack of action or wilful damage).
- Due to circumstances beyond our control e.g., severe weather.
- Requests for repair or replacement of fixtures/fittings which are not Nacro's responsibility.
- When contractors cannot get into a complainant's home, despite having made and kept to an agreed appointment.
- When a complainant has been advised of extra works required and has been kept informed, and works have been completed within the revised timeframe.
- Due to advanced warnings about loss of service or fault, where we complete the work within specified timescales.
- If a complainant chooses to instruct a solicitor or seek legal advice, they will be responsible for the costs incurred in doing so and will not be able to recover legal costs as part of any compensation.
- Where a service user has unreasonably prevented or delayed resolution of the issue.

- Where a complaint has been previously investigated, resolved, and closed, with no new information arising.
- Claims for personal injury.
- Loss of earnings or Rental Income.

4.0 Management Discretion

In all cases where there has been a service failure by Nacro and a detriment caused to the complainant, management have the discretion to offer compensation.

All financial offers will be made in accordance with the Compensation Amounts Guidance – appendix one. Any compensation above these limits must be approved by an Area Manager or Head of Service.

Proactive compensation payments – in some instances we identify service failure that affects service users who have not complained (i.e., door entry failure). Where we identify service failure requiring remedy and compensation, we will endeavour to proactively compensate affected service users whether or not they have complained about the service failure.

Recognising exacerbated impact of service failures on those with protected characteristics – if a Service User's protected characteristics mean that they experienced a service failure more acutely, this should be considered when determining the level of compensation offered.

5.0 Claiming Compensation

Acceptance of a compensation offer is considered full and final settlement of any complaint. Once the compensation has been accepted Nacro will close any complaint and all issues that relate to that compensation offer.

Any offer and/or payment of compensation, which is made solely under the terms of our Compensation Policy, in no way constitutes an admission of any liability for any losses incurred by the claimant.

Offers of compensation will be evidence led and made solely on available information and data or factual information that indicates compensation is appropriate.

We will normally offset any compensation or goodwill gestures made against any arrears or debts owed to us by the tenant, unless we have evidence that the arrears are due to be paid by housing benefit. It is only in exceptional circumstances payments may be made directly to the service user if they owe Nacro money.

Any payment made directly to a service user will be paid by BACS system and the service user will need to provide their bank account details for the payment.

Compensation claims will be monitored through the Housing budget by a dedicated ‘housing compensation’ budget code. This will allow for quarterly reviews by the Housing Senior Management Team and reported annually to the Housing & Justice Subcommittee.

6.0 Appealing Decisions

If a claim for compensation is turned down, or a claimant is unhappy with the amount of compensation offered, the Nacro’s complaints procedure offers the right to review the decision. A copy of the Nacro Complaints Policy is available on our website and on request.

7.0 Revision History

Version	Date	Editor	Summary of Changes

Appendix One - Compensation Amounts Guidance

Discretionary compensation – where Nacro provide a service	
Failure to meet service standards or policy, for example being late to respond to an emergency repair, where we have designated response times.	£10 per day of disruptions, up to a maximum of £100
Distress and inconvenience, for example, sentimental items becoming damaged through repair work.	Up to a maximum of £100
Avoidable delay in resolving repair or complaint, for example, a booked contractor not attending the appointment.	Initial payment of £20, with discretion to go up to a maximum of £50
Failure to provide a service which is subject to a service charge paid directly by the tenant (rather than covered by housing benefit or any other Local Authority payments).	If Nacro fail to provide a service which a tenant has told us about, for which they pay a service charge, they may be entitled to receive compensation equivalent to the cost charged for the service they did not receive.

Statutory compensation – where Nacro are the landlord	
Home loss Home loss payments may be made to tenants who have lived in their property for a minimum of 12 months and are required to move home permanently because of redevelopment or demolition of their home. Home loss claim must be made within 6 years.	Prescribed amount is a minimum of £7,800
Disturbance Disturbance payments may be made to tenants who are required to move to another property temporarily or to people who have lived at a property less than 12 months and are required to move home permanently. This	Disturbance payments cover reasonable expenses incurred by the entitled person during moving.

payment is for reasonable moving costs. People who are displaced from properties that have been adapted for disabled people are entitled to the comparable cost of those modifications	
Right to Repair The Right to Repair scheme covers specific repairs, known as 'qualifying repairs' which cost less than £250 and should be done within a set time limit. If the repair work isn't done within the specified time limit due to a contractor issue, Nacro must arrange for another contractor to do the work. If the work has not been carried out within that time, service users may be entitled to compensation.	If the second contractor does not complete the repair work within the required time limit, service users are eligible for £10 in compensation. For every extra day they wait, a further £2, up to a maximum of £50.