



POLICY AND GUIDANCE NOTE

COMPENSATION

Compensation in respect of:

1. Failure to repair in specified period (section 2)
2. Tenants improvements (section 3)
3. Loss of service (section 4)
4. Loss of Amenity (section 5)

1. Background

- 1.1 The introduction of sections 121 and 122 of the leasehold reform, Housing and Urban Development Act 1993 on 1 April 1994, gave enhanced rights relating to the repair and improvements to secure tenants of local housing authorities.
- 1.2 The Secretary of State and the Housing Corporation were keen to promote similar rights for Housing Association tenants. Therefore circular HC33/94 was issued in December 1994 setting out how associations were to implement the contractual Right to Repair and the contractual Right to Compensation for Improvements, replacing the former right to repair scheme.
- 1.3 This policy and procedure note is based on the above circular and incorporates compensation for the loss of services.

2. Compensation for failure to repair

2.1 Qualifying Repairs

A Qualifying Repair

A Qualifying Repair is a repair costing not more than £399.00 and which if not carried out within the specified period, is likely to jeopardise the health, safety or security of the tenant.

Receiving Repair Requests

- 2.2 On receiving a qualifying repair request, the tenant is to be informed of the specified period in which the repairs are to be carried out. These are to be taken from published figures in the Tenants handbook and attached as appendix A.
- 2.3 What if the qualifying repairs are not carried out?

On receiving a further request from the tenant for the same qualifying repair, the Society is permitted to inform the tenant of a second specified period in which the repair is to be carried out.
- 2.4 Copies of the repair order detailing the repair, contractor and the period by which the repair is to be completed is to be given to the tenants.

Right to Compensation

- 2.5 Where the Society fails to undertake the qualifying repair within the second period, the tenant they shall be entitled to compensation (subject to 2.6) of £10 plus £2 per day for every day that the repair remains outstanding form the end of the second period. (up to a maximum of £50).
- 2.6 The right to compensation shall not apply when the tenant has failed to provide access for inspections for the repair to be carried out, if reasonable opportunity is given.

Claiming Compensation

- 2.7 Forms for the claiming of compensation are to be maintained at each estate office and at the head office.
- 2.8 Completed forms are to be forwarded to the Director of Technical Services and acknowledged within 5 days.
- 2.9 The Director of Technical Services is to arrange for the claim to be investigated and for the valid claims to be paid within 28 days of receipt of that claim.

3. Approved tenants improvement

Receiving Improvement Requests

- 3.1 Under the above regulations the Society will compensate tenants for approved improvements should they later move away, leaving those improvement in situe and in good working order.

Approval cannot be granted retrospectively.

Qualifying Improvements

- 3.2 A list of qualifying improvements with their associated notional life are attached as appendix B.
- 3.3 The tenant should submit to the Director of Technical Services three estimates from bonafide contractors for the qualifying improvement, stating the reasons for choosing a particular estimate.

- 3.4 The tenant must have received written permission from the Society prior to making any improvements.
- 3.5 Permission from the Director of Technical Services will be given to all reasonable requests and a copy of this to be maintained on the tenant's file.
- 3.6 Written permission must include the following statement/details.
 - i. Details of the qualifying improvements.
 - ii. That the amount of compensation will be calculated using the depreciation formula as set out in the Department of the Environment Statutory Instrument 613/94 (as for local authorities).
 - iii. That the agreed compensation will only be paid at the end of the tenancy.
 - iv. That the agreed compensation will be set against any sums that may be owed to the Society.
 - v. Where the tenancy is terminated through a possession order based on the tenant breach of obligations, the tenant will not normally be entitled to compensation.

Claiming Compensation

- 3.7 At the end of the tenancy the tenant may make a request to the Director of Technical Services in writing for compensation for qualifying improvements.
- 3.8 An acknowledgement of this claim is to be made within 5 days of its receipt.
- 3.9 The Director of Technical Services is to arrange for the improvements to be inspected and any monies due are to be paid within 28 days of receipt of the claim.

4. Loss of Services (only applies if service charge payment is made)

- 4.1 In some of the dwellings the Society provides services such as hot water, heating and lifts. A full breakdown of service relating to each flat is provided in the relevant service schedule.
- 4.2 If one of the services detailed fail (but excluding Caretaking or Warden services) compensation in the form of a rebate of the service charge will be paid.

Communal Hot Water/Heating and Lifts

- 4.3 A rebate will be paid if hot water/heating supplies or the lift service fails for a continuous period of 48 hours from the time that the Society's staff were notified of the fault.

Other Services

- 4.4 For other services (excluding caretaker or Warden Services) the Society will only pay a rebate if the services failed for a continuous period of 7 days from the time that the failure was notified to the Society's staff.
- 4.5 The amount of rebate will reflect the expense of the service as shown in the service schedule.

Notifying of a Failure Service.

- 4.6 Tenants should notify the Society as soon as they become aware of a failure of a service in order that repairs can be arranged.

Claiming a rebate

- 4.7 If a service has failed for a period exceeding those stated in 4.3 and 4.4 a tenant may claim a rebate of that service.
- 4.8 Forms for claiming a rebate of service costs are to be maintained at each estate office and at the head office.
- 4.9 Completed forms are to be forwarded to the Director of Housing Services and acknowledged within 5 days.
- 4.10 The Director of Housing Services is to arrange for the claim to be investigated and for valid claims to be paid within 28 days of receipt of that claim.

5. Loss of Amenity

- 5.1 If any part of a dwelling is unusable by the tenant or any of the major amenities are unusable, such as heating, hot water, electricity etc, as a result of outstanding repairs that are IDS responsibility, IDS will consider a claim for the loss of amenity in the following circumstances.
 - a. The claim is not part of an insurance claim or legal action against IDS.
 - b. The claim is not eligible for compensation under failure to repair (see section 2 above).
 - c. The repair outstanding has been notified to IDS or out of hours Contractor
 - d. A reasonable period has been allowed during which the repairs could have been carried out, and reasonable access has been provided by the tenant to IDS staff and contractors.
 - e. The defect has not arisen as a result of failure of the tenant to take adequate measures to upkeep the property.
 - f. The defect has resulted in part of the dwelling (excluding gardens and other common areas) being uninhabitable in the opinion of the Director of Housing Services.
- 5.2 The amount of compensation will be assessed on the basis of the rent payable in the proportions shown below.

Bedsit	25%
Bedroom	10%
Living room	15%

Kitchen	10%
Hall	0%
Bathroom	10%

Up to a maximum of 25% of rent payable.

Loss of heating, electricity etc, up to a maximum of 25%.

- 5.3 If IDS is undertaking repairs in a dwelling and the work is so disruptive as to make any part of the dwelling uninhabitable (in the opinion of the Director of Housing Services) for a period of more than 3 days IDS will compensate as above.

5.4 **Condensation**

In the case of condensation, compensation will only be paid for loss of amenity where:

- a. The tenant has been heating the home adequately.
- b. Washing has not been dried in the home on heaters and tumble dryers are externally vented etc.
- c. Bottled gas or paraffin heaters have not been used.
- d. The tenant has not substantially contributed to the problem in any other way.

5.5 **Claiming Compensation**

Compensation will be paid to tenants except where there are rent arrears, it will be deducted from monies due.

Forms for the claiming of compensation are to be maintained at each estate office and at the head office.

Completed forms are to be forwarded to the Director of Housing Services and acknowledged within five working days.

The Director of Housing Services is to arrange for the claim to be investigated and for the valid claim to be paid less overdue rent within 28 days of receipt of that claim.

RIGHT TO REPAIR

SPECIFIED PERIOD

a. Emergency Repairs - To be completed within 24 Hours

Repairs of an emergency nature, affecting the safety, security or health of the tenant/fellow residents. This has to be made safe within 24 hours from notification.

Examples of the types of emergency repairs

No hot water
No central heating
Glazing/Boarding-up
Blocked Soil/Waste Stack, Pipes, Guttering
Leaks to Plumbing, Overflow Pipes
Damaged flat Entrance Door, Frame, Lock
Electrical Faults
Communal Areas, Electrical Faults, Lights, Floor Coverings
Lifts
Play Equipment
Door Entrance Systems
Making Safe Doors and Drawers to Units
Broken W.C Pan/Seat or Hand Basin

b) Urgent repairs - to be completed within 7 calendar days

Repairs causing the loss of a facility to the tenant or likely to cause further serious deterioration to the structure, fabric, fittings, fixings or services of the building. This must be dealt within a period of 7 calendar days from notification.

Examples of the Types of Urgent Repairs

Glazing, if window was boarded-up
Repairs to internal doors
Wall and floor tiles
Taps
Doors and Drawers to units
Items that were made safe as an emergency repair

c) Non - urgent repairs - to be completed within 21 calendar days

Repairs that may be rectified without causing serious inconvenience to the tenant or deterioration of the structure. These must be dealt with within 21 calendar days from notification, unless stated otherwise.

Replacement of baths
Wash Basins
W.C Pan or cistern
Installing kitchen sink tops
Base and wall units

Taken from Guidance and Procedure Notes >Standards of Repairs, Priorities and Response times.

APPENDIX B

COMPENSATION FOR TENANTS IMPROVEMENTS

Qualify Improvements

Qualifying improvements under the Right to Compensation for Improvement, with their associated notional life.

Bath or shower	12 years
Wash-hand basin	12
Toilet	12
Kitchen sink	10
Storage cupboards in bathroom or kitchen	10
Work surfaces for food preparation	10
Space 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 and windows	8
Double glazing or other external window replacement or secondary glazing	20
Rewiring or the provision of power lighting or other electrical fittings (including smoke detectors)	15
Any object which improved the security of the dwelling house, but excluding burglar alarms	10

Compensation

The amount of compensation will be based on the submitted estimate from a bona-fide contractor and is subject to depreciation.

Compensation will be calculated using the depreciation formula as set out in the Department of the Environment Instrument 613/94 (as for local authorities).