

BELGRAVE NEIGHBOURHOOD CO-OPERATIVE HOUSING ASSOCIATION COMPENSATION & GOODWILL GESTURES POLICY

Aims of the compensation and goodwill gestures policy

The following are aims of the compensation and goodwill gestures policy:

- To provide compensation or goodwill gesture payments to members where repairs or other services have failed
- To have clarity about what compensation or goodwill gestures are available
- To ensure that the co-op complies with legal compensation requirements such as Right to Repair

Delegated Authority

- 1 The co-op delegates the Senior Housing Lead to implement the following elements of the policy:
 - To bring to the Operations Sub-Group's attention cases where a goodwill gesture may be appropriate
 - To receive requests for compensation from members
 - To consider compensation claims from members and make recommendations to the Operations Sub-Group regarding compensation based on this policy and previous compensation and goodwill gestures decisions made
 - To liaise with the co-op's solicitors regarding Right to Repair compensation claims.
- 2 The Operations Sub-Group will usually make decisions about compensation unless:
 - a) there is a need for urgency in which case, the Chair will make relevant decisions
 - b) the Operations Sub-Group considers that the matter needs to be brought to the attention of the Operations Sub-Group.

- 3 The Chief Executive Officer is delegated to make goodwill gesture payments up to £150 where they consider that a payment is warranted.
- 4 Otherwise, decisions about goodwill gestures will be made by the Operations Sub-Group, again unless the Operations Sub-Group considers that the matter needs to be brought to the attention of the Operations Sub-Group. Any Operations Sub-Group member who has a conflict of interest in respect of the member to whom the goodwill gesture may be made shall leave the meeting where the matter is to be discussed.
- 5 The Secretary will maintain a register of compensation and goodwill gesture payments.

Types of compensation and goodwill gesture

- 6 The co-op may make two types of payments:
 - payments that the co-op is obliged to make due to legal requirements
 - goodwill gesture payments that the Operations Sub-Group chooses to make.
- 7 The co-op has to provide compensation relating to:
 - **home loss and disturbance** (relating to when members have to move out of their home permanently or temporarily)
 - **improvements** – where a member completed agreed improvements to their home
 - **Right to Repair** – specified “qualifying repairs” are required to be carried out within a set time limit. If this does not happen, the member may be entitled to compensation.
- 8 Where the co-op receives a disrepair claim under the Right to Repair, the Senior Housing Lead will:
 - Bring the Chief Executive Officer’s attention to the disrepair claim at the earliest possible occasion providing whatever facts are available regarding the claim - dates when the repair was reported, what

actions were or were not taken, and any other information relating to the claim

- Take steps to address any repairs issues that should have been dealt with previously
 - Liaise with the co-op's solicitors regarding how to respond to the disrepair claim
 - Produce a report to the Operations Sub-Group with recommendations – based on recommendations from the co-op's solicitors. Decisions on what action should be taken will usually be taken by the co-op Operations Sub-Group, unless there is a need for an urgent decision in which case urgent decisions may be taken in accordance with the co-op's Scheme of Delegation.
- 9 The co-op insures its buildings and members are expected to insure the contents of their home. On occasion it may be appropriate for insurance claims to be made to the co-op's insurance policy in relation to resident belongings.

Goodwill gestures

- 10 The co-op may wish to offer goodwill gestures in relation to:
- extreme forms of hardship caused by the co-op not providing services as it should do
 - damage to property where the damage is as a result of the co-op's actions such as accidental damage during a repair or where a repair has not been carried out
 - poor service provision considerably below the standard that could be reasonably expected
 - formal complaints made by co-op members.
- 11 Goodwill gestures will be at the Operations Sub-Group's discretion, but the sub-group will carefully set out the reasons for compensation and what features led to the amount of the goodwill gesture.

- 12 If the Operations Sub-Group considers that a goodwill gesture is warranted, the following factors will be taken into account:
- a) the number of months the member and their family has suffered from the issue that has led to the goodwill gesture. The Operations Sub-Group may award up to £150 per month for the period of the issue.
 - b) any health consequences to the member or their family caused by the issue that has led to the goodwill gesture. The Operations Sub-Group may award up to £500 for health consequence issues.
 - c) any general health issue or disability that the member or their family has that makes the issue that has led to the goodwill gesture more difficult for them to manage. The Operations Sub-Group may award up to £500 for general health issues.
 - d) the Operations Sub-Group may award up to a further £500 in respect of other issues it considers a goodwill gesture should cover.
 - e) the proportion of the home that is affected by the issue that has led to the goodwill gesture. For example, if half the home is affected, the Operations Sub-Group will award half the amount it grants under the clauses above. If the whole of the home is affected, it will grant the full amount set out in the clauses above.
- 13 The Operations Sub-Group will also consider goodwill gesture payments for:
- a) specific financial losses that have been incurred by the member or their family
 - b) damage to the member's furniture, decorations, carpeting or other possessions.
- 14 Wherever possible, the Operations Sub-Group will seek evidence relating to a goodwill gesture. The Operations Sub-Group will particularly seek the following evidence:

- evidence relating to when the issue that has led to the goodwill gesture was first reported. The Operations Sub-Group will ask the Senior Housing Lead for their records regarding the issue both in relation to the date the issue was first reported and action taken once the issue was reported.
 - evidence relating to the health of the member or their family if this is a factor in the goodwill gesture.
 - evidence relating to the value of items damaged
 - evidence relating to any financial losses the member or their family has incurred
 - any other reasonable evidence requirements.
- 15 Where any of the above evidence is not available, or where the Operations Sub-Group considers it is not appropriate in the circumstances to ask for such evidence, the Operations Sub-Group will make a reasonable decision on the balance of probabilities regarding the truth or otherwise of circumstances that relate to the goodwill gesture.
- 16 Where a goodwill gesture is to be made in relation to damages to a member's possessions, the Operations Sub-Group will consider the reasonableness of the costs of the possessions, regardless of whether evidence is available for the items.
- 17 The Operations Sub-Group's decision regarding goodwill gestures will be final. There is no right of review of a goodwill gesture.
- 18 Letters sent to members informing them of a goodwill gesture will be sent by the Senior Housing Lead following the Operations Sub-Group's decision and will be headed "without prejudice", ensuring that the co-op does not accept legal liability for any issues that may arise.

Exclusions to the policy

- 19 The co-op's compensation policy does not include failures which are:

- as a result of member negligence
- payments relating to items that are claimed to have been damaged that have not been kept to enable the co-op to inspect them
- the fault of a third party such as an electricity, water or gas utility company
- beyond the co-op's control - e.g. severe weather or where members have been advised in advance that a service will not be available
- insurance claims relating to financial loss, damage to third party property or personal injury which will be dealt with in accordance with insurance procedures
- subject to tribunal or legal proceedings.

Further issues

- 20 If a member is to receive compensation or a goodwill gesture, any payment shall be subtracted from any debt the member owes the co-op, such as through rent arrears or member damage payments.
- 21 The co-op will normally only receive compensation claims within six months of the relevant incident occurring.
- 22 The Operations Sub-Group may consider goodwill gestures in relation to any incidences regardless of the length of time when the incident was first reported.
- 23 The co-op will receive appeals to compensation determinations (but not goodwill gestures) from members and will hear them through a Review Panel as specified in the Complaints Policy.
- 24 As a Registered Provider, the co-op will comply with Housing Ombudsman judgements in relation to upheld complaints from members, which may include compensation awards.

Risks to be avoided:

- Non-compliance with legal compensation obligations
- Operating unfair or discriminatory discretionary compensation practices
- Setting precedents that the co-op may not wish to replicate in the future in relation to discretionary compensation

Guidance notes on statutory obligations

The following statutory obligations apply to the co-op as a Registered Provider landlord.

Right to Repair

Landlords need to comply with the Right to Repair provisions contained within section 121 of the Leasehold Reform, Housing and Urban Development Act 1993. Residents of rented properties have a Right to Repair. This is a right to have certain qualifying repairs carried out by the landlord and to be compensated by a fixed amount if these are not done within the stated timescale. To qualify for compensation under the Right to Repair the resident must have properly reported the repair in the normal way and have advised the landlord that the repair was not completed by the due date. The landlord can then issue a further order for the work, but if it is still not completed by the second due date, compensation is payable.

Residents may choose to claim compensation on the discretionary grounds of a failure to deliver the repairs service rather than under the Right to Repair.

Compensation for planned or necessary disturbance – landlords are required to compensate where residents have to be moved for major planned works or in an emergency. This includes disturbance payments for Home Loss.

Right to Payment for Improvements – landlords are required to have procedures where residents can claim a payment for certain specified improvements which they have carried out during their tenancy. The resident must have written permission for the improvement from the landlord otherwise the payment will not be payable.