



# Castle Point Borough Council Housing Compensation Policy

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# Housing Compensation Policy

## 1. Purpose

- 1.1. This Policy is intended to provide guidance on when payments of compensation will be made. Compensation can be awarded following a failure in service or to comply with statutory requirements.
- 1.2. It sets out which compensation will be paid and when and is designed to ensure fairness and consistency. It provides guidance on when to award compensation and determining levels of payment and should be considered in conjunction with the Council's Housing Complaints Policy.

## 2. Scope

- 2.1. This Policy covers all Castle Point Borough Council housing related claims for those living in general needs, sheltered housing, leasehold and private sector leasing. It excludes claims and payments for legal related matters or matters that would or could be dealt with under an insurance claim. It
- 2.2. Compensation is money paid to someone for loss or damage to their belongings, or for lack of services they were entitled to receive.

## 3. Related Documents

- Council Housing Complaints Policy 2025
- Unacceptable Behaviour Policy 2024

## 4. Definitions

- 4.1. There are three types of compensation:
  - **Mandatory** (such as mandatory home loss payments, Right to Repair).
  - **Quantifiable** (where loss can be demonstrated, such as increased heating bills due to disrepair, decant costs).
  - **Discretionary** (for time and trouble/distress and inconvenience, failure to follow policy and procedures).
- 4.2. Compensation is not automatic and does not apply where the service failure or mistake has not caused any inconvenience and has been easily and quickly remedied. Each case must be considered on an individual basis and take into account the circumstances of the household.

## 5. Background / Context / Introduction

- 5.1. The Housing Ombudsman Scheme provides landlords with guidance to refer to when considering compensation. They advise the level of redress that they may award depending on the impact on the resident. Each case is judged on the circumstance of the failure of service and are reflected within the guidelines set out in this Policy. Complaints that may result in a severe maladministration finding will be considered outside of the remit in this Policy.
- 5.2. Payments should be fair and proportionate and aim to provide redress to restore a person to the position they would have been in had the service failure not

occurred. Landlords should also learn from the outcomes following payment of compensation.

- 5.3 When considering offers of compensation, responsibility to deliver value for money should be taken into account. Any amount offered should reflect a level of 'reasonableness' with each case considered on its individual merits and ensure that discretion and common sense are applied.

## 6. Policy Content

### 6.1 Policy Principles

6.1.1 Discretionary compensation can be offered when:

- Actual, proven financial loss has occurred as a direct result of service failure or mismanagement, and/or
- There has been avoidable inconvenience, distress, detriment, or other unfair impact due to a service failure or mismanagement.

6.1.2 Compensation can include a gesture of goodwill, such as some flowers or a voucher, with all Housing staff able to agree a gesture of goodwill up to £50. All payments must be appropriate and proportionate. A Manager can agree payments of up to £250. Any payment exceeding this amount must be authorised by the appropriate Assistant Director or Director.

6.1.3 Discretionary compensation can include payment for:

- Damage to property or decorations because of negligence by an employee or contractor.
- Unacceptable delays in providing services which have resulted in serious distress or inconvenience.
- Unacceptable responses to upheld complaints which have caused distress or dissatisfaction due to poor complaint handling.

6.1.4 Quantifiable loss compensation payments can include payment for:

- Additional costs incurred because of a failure in service. This can include the cost of using an electric heating or dehumidifier.
- Loss of heating beyond 24 hours in the period 1 November to 30 April.
- Loss of hot water after five days.
- Loss of cold water after 24 hours.
- No functioning toilet after 24 hours.

6.1.5 Compensation payments will **not** be made in the following circumstances.

- If the damage or loss would have been covered by home contents insurance, regardless of whether the resident has their own contents insurance or not.
- Possessions have been lost, stolen or damaged through no fault of the Council.
- Items have been unavoidable damaged by improvement works.
- Inconvenience caused by planned works, such a fitting a new kitchen or bathroom.

- The claim is made due to unforeseeable circumstances and/or caused by a third party, or was beyond the Council's control, such as a water leak from a neighbouring property.
- The loss of damage has occurred because of an unauthorised alteration to the property.
- There has been a loss of supply of gas, electricity or water that was outside the Council's control.
- There is a pending legal case linked to the claim.
- For loss of earnings.
- Claims for litigation and/or negligence will be dealt with as an insurance claim.
- For personal injury.
- Anti-social behaviour or neighbour nuisance.
- Damage has been caused by unforeseen failures in the structure of a building.
- When the loss of damage has been caused by a resident, household member or visitor, this could include failure to report the matter promptly through the correct channels or failure to allow access to the property.
- Damage caused by condensation if the resident has been given advice on how to reduce condensation and has not followed it.
- Service failure or damage is the result of extreme or unforeseen conditions such as the weather or government restrictions.

6.1.6 Discretionary compensation payments for delay and distress will be made based on the level of the Council's landlord responsibility and the inconvenience and impact on the household. The table below should be used to ensure consistency and fairness. Note payments shown are up to:

Landlord responsibility	Impact on household		
	Minor	Moderate	Severe
None	£0	£0	£0
Partial	£50	£100	£250
Full	£50	£100	£600

- 6.1.7 Minor impact could be when a complaint has been upheld but there has been no significant inconvenience or distress that a reasonable person could be expected to tolerate. A repeated failure of a minor impact could result in the impact being increased to moderate.
- 6.1.8 A moderate impact is when inconvenience and/or distress has clearly been caused and would include a failure in our handling of a complaint.
- 6.1.9 A severe impact is when a serious failure in service has taken place. This could be due to the severity of the event, or a persistent failure has occurred over a prolonged period, or there have been an unacceptable number of attempts to resolve an issue.

- 6.1.10 Payments should consider the level of stress, anxiety, frustration, uncertainty and inconvenience caused. This will include the severity, length of time, number of people affected and their individual circumstances. This should account for any vulnerabilities and identify that the impact has been worsened due to disability, old age or the presence of young children. Payments in such circumstances can exceed the table above when there has been a significant failure in service.
- 6.1.11 Where compensation is being considered for delays, the timescale will commence from the date Housing is notified of the loss of service. This Policy does not cover loss of service where a service charge is payable as this will be dependent of the cost of the service charges and will usually involve a refund of charges when services have been significantly impacted.
- 6.1.12 Quantifiable loss payment that can be claimed include:

Situation	Guide	Criteria
No heating November to April	£4 per day	Use of electric heater
Damp following leak	£4 per day	Use of dehumidifier
Loss of room/whole property	% of rent	Depending on circumstances
Damaged belongings	Cost + £50	Evidence of replacement cost
Subsistence following decant	£25 per day	Per person if no cooking facilities

## 6.2 Paying Compensation

- 6.2.1 All claims should be made in writing within one calendar month of the event of service failure. Housing may ask for the Compensation Claim Form to be completed. Claimants will usually be required to demonstrate loss with appropriate documentary evidence. Receipts must be supplied where appropriate.
- 6.2.2 When compensation is offered following a complaint, it will not be offered until the complaint is resolved so the full impact is known. Complainants will be asked to accept the amount in settlement of the resolution of their complaint. All offers of compensation must set out how the compensation amount has been reached and how it will be paid. Payment could be through a BACS payment or into a rent account.
- 6.2.3 Discretionary compensation may be paid in full or part to a rent account with the agreement of the complainant, if there are any arrears or other sundry debts owing on their account. If the complainant is in receipt of full housing benefit or UC housing costs and there are no debts owing to Housing it will be paid in full to them. If there are any debts these may be deducted before payment is made.
- 6.2.4 All offers of discretionary compensation will be valid for 3 months from issue. If not accepted in this time, it will be recorded as being rejected. If the compensation is refused due to the amount offered, it can be reviewed as part of the complaints process. If the offer has not been made as part of the complaint process, it should be reviewed as a Stage 1 complaint. The complainant may be asked to demonstrate why they believe the amount is not sufficient.
- 6.2.5 When compensation is due because of action or inaction, including a failure in service by a contractor it may be appropriate for the Council to make the payment and then recover the money from the contractor. This would be the case in

instances when compensation is being paid by both the Council and the contractor due to joint responsibility for the failing.

6.2.6 Where an order for a payment of compensation has been made by the Housing Ombudsman, the Council will accept the decision and recommendation by the Ombudsman and not the guidance set out in this Policy.

### **6.3 Other Remedies**

6.3.1 Other actions may be taken to remedy a complaint, either separately from or in conjunction with an offer of compensation. This can include:

- Offering to undertake repairs or decorations that are not landlord responsibility.
- Gesture of goodwill, including vouchers or flowers.

### **6.4 Right to Repair**

6.4.1 Under the Right to Repair Scheme tenants have the right to carry out certain repairs and receive compensation if the repairs were not done within a specified time. These are called 'qualifying repairs'.

6.4.2 These repairs are mostly minor repairs up to the value of £250 which affect the health, safety or security of the property. They apply when the repair is not carried out within the published time limit or a second agreed appointment. When this happens compensation of £10 can be claimed, with £2 for each further day the repair is outstanding, up to a maximum of £50.

## **7. Communications & Training**

7.1. All front-facing staff should be aware of the Housing Compensation Policy and will receive training on when compensation should be considered as an appropriate redress.

7.2. Complainants may request compensation as part of the resolution of their complaint and staff should be conversant in the amounts and circumstances compensation is offered.

7.3. Information on how to make a claim for compensation will be available through the Council's website.

## **8. Records, Reporting and Monitoring**

8.1. All offers and payments of compensation following a complaint will be recorded on the Complaints Spreadsheet. The annual complaints performance will include compensation payments.

## **9. Review**

9.1. This Policy will be reviewed in one year from issue or earlier if there is a change in legislative or regulatory requirements.

## **Appendices**

Compensation Claim Form.