

COMPENSATION POLICY

FEBRUARY 2024



LANARKSHIRE
HOUSING ASSOCIATION LTD



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COMPENSATION POLICY (including decoration allowance and compensation payments)

(*Note Lanarkshire Housing Association hereinafter referred to as LHA)

1.0 INTRODUCTION

- 1.1 LHA's Compensation Policy confirms our approach to awarding service users an allowance or compensation in the form of either a service or money. It is supported by a number of other LHA policies, including our Void Property Management, Property Services Policy and Complaint Handling Procedures.
- 1.2 This policy aims to ensure that we comply with our landlord obligations, legislative and regulatory requirements.
- 1.3 There are occasions where we require to address decoration allowance for void properties, planned maintenance and improvement works, in addition to any damage to decoration during the course of routine repair work and this policy confirms the way in which allowances will be assessed and paid.
- 1.4 Other aspects of compensation addressed in this policy include any appropriate compensation linked to our Complaints Handling procedures and subsistence allowance.

2.0 COMPLIANCE WITH REGULATORY STANDARDS – SCOTTISH SOCIAL HOUSING CHARTER

- 2.1 This policy adopts the principles of the Scottish Social Housing Charter (the Charter) to ensure Charter standards and outcomes are achieved through efficient management of services.

In particular we will address the following areas of the Charter:

- **Charter Outcome 1 Equalities**

'every tenant and other customer has their individual needs recognised, is treated fairly and with respect, and receives fair access to housing and housing services'

- **Charter Outcome 2 – Communication**

'tenants and other customers find it easy to communicate with their landlord and get the information they need about their landlord, how and why it makes decisions and the services it provides'.

- **Charter Outcome 4 – Quality of Housing**

‘tenants homes, as a minimum, meet the Scottish Housing Quality Standard (SHQS) and the Energy Efficiency Standard for Social Housing (ESSH) and continue to meet it thereafter, and when they are allocated, are always clean, tidy and in a good state of repair’.

- **Charter Outcome 5 – Repairs, maintenance and improvements**

‘tenants homes are well maintained, with repairs and improvements carried out when required, and tenants are given reasonable choice about when work is done’.

- **Charter Outcome 13 – Value for Money**

‘tenants, owners and other customers receive services that provide continually improving value for the rent and other charges they pay’.

3.0 OBJECTIVES

- 3.1 The primary objective of this policy is to provide a framework for paying allowances or compensation to service users in a way that is equitable, consistent, and transparent.
- 3.2 We aim to meet our statutory duty in respect of repairs and housing services, whilst safeguarding the asset value of our properties.
- 3.3 We will assess tenant satisfaction with the quality of services through our three-yearly Tenant satisfaction survey.

4.0 COMPLAINTS HANDLING PROCEDURE

- 4.1 LHA has adopted the model Complaints Handling Procedure issued by the Scottish Public Services Ombudsman. This policy states that requests for compensation will be dealt with separately from complaints.
- 4.2 A request for compensation will be addressed separately; accordingly, the decision may be made to suspend any complaint action pending the outcome of the claim for compensation. We will notify the customer if this is the case, advising that the complaint will be fully considered when the compensation claim has been resolved.
- 4.3 Any complaint relating to out-of-pocket costs leading to the complaint will be considered as a ‘time and trouble’ payment, for inconvenience suffered by customers. Claims will be considered by Senior Managers and subject to approval by the Chief Executive.

5.0 TENANT RESPONSIBILITIES

- 5.1 Under the terms of the Scottish Secure Tenancy Agreement (SSTA), customers are obliged to “keep the interior of the house in good and clean condition and in proper decorative order”. As such, tenants are responsible for the internal decoration of the property.
- 5.2 It is the responsibility of each tenant to ensure that they have appropriate household contents insurance cover (including cover for fire, flood and theft) as the Association will not accept liability for furnishings and internal decoration.
- 5.3 Prior to the end of a tenancy, Property Services staff will carry out an inspection of the property to assess the general condition and to confirm any repair or reinstatement work required by the outgoing tenant before they return the keys to the Association.
- 5.4 Tenants will be asked at this inspection to sign a mandate agreeing to meet the cost of any work that they fail to complete by the end of their tenancy.

6.0 LHA RESPONSIBILITIES

- 6.1 We will ensure properties are allocated to our approved void property standards and in a good and clean condition.
- 6.2 Whilst it is recognised that decoration of a property is an individual choice, we acknowledge that there are occasions where assistance will be required to bring a property up to an acceptable standard either in allocating void properties, following completion of planned maintenance or following repair work.
- 6.3 When a tenancy is terminated, a void property inspection will be undertaken to assess any repairs required to bring the property up to a lettable standard, this will include assessing the internal decoration for any award of decoration allowance or issuing of décor pack.
- 6.4 All properties are covered by our Block Policy building insurance, with the cover including the risks of fire, flood, storm damage etc. This policy does not normally cover internal decoration as this is generally covered by tenants' individual home contents insurance.
- 6.5 Where there has been substantial damage to a property through flood or water ingress and a de-humidifier and/or additional heaters are required to help dry out an affected area, an allowance of £20 per week for a dehumidifier and £20 per week for heaters will be provided to cover the running cost of the appliance.
- 6.6 If LHA receive a compensation claim from a customer who considers us liable for an issue such as personal injury or loss of or damage to property, we will explain the process for seeking resolution. Claims of this type will be forwarded to our Insurers for assessment.

7.0 COMPENSATION

7.1 Planned Maintenance and Improvement Works

We will advise tenants in advance of any proposed planned maintenance or improvement works (including, amongst others, installation of replacement heating, windows, doors, kitchens and bathrooms).

7.2 The contractor will normally be required to undertake any work in a manner to avoid damage to the building fabric; and to complete making good of flooring and of all ceiling finishes (i.e. bringing them up to a finished standard or restoring to their previous condition). Making good will not normally include tenants' floorcoverings or decoration.

7.3 Where tenants' floorcoverings are likely to be affected, they will be advised before work starts that the contractor will require them to uplift laminate floorcoverings and re-lay them following completion of the work; i.e. that this is their responsibility. Carpets which are not glued down will, if required, be lifted by the contractor before work starts and re-laid for tenants after completion. Vinyl and linoleum floorcoverings which are not glued down will be lifted by the contractor, but only relaid if they are deemed to be suitable i.e. not too old and/or brittle. Tenants will be advised that the contractor will be unable to help them regarding flooring tiles or glued down floorcoverings, which will be removed to the extent necessary to complete the work, but not replaced. We will not be responsible where tenant's floorcoverings fit imperfectly following completion of work e.g. because kitchen layouts or radiator positions have been changed.

Staff will address individual tenant's concerns where they have particular difficulty or inability to comply with the responsibility to uplift and re-lay floorcoverings e.g. for reasons of disability.

7.4 Upon completion of maintenance and improvement work in properties where decoration may have been disturbed, an inspection will be carried out by Property Services staff, who will make an assessment of entitlement to decoration allowance/pack on a room-by-room basis. This will apply only to wall and ceiling finishes.

7.5 Reactive Repairs

Contractors carrying out work on the Association's behalf must comply with our approved contractor's guidance. Any damage to internal decoration as a result of poor workmanship will be brought to the attention of the contractor who will be responsible for any reinstatement works.

Where reactive repairs have been undertaken in a property and decoration or other property of the tenant is damaged as a consequence of repair work, we assess the damage and arrange to reinstate or offer compensation to assist towards the costs of re-instatement works.

Each claim will be assessed independently and the level of compensation awarded in line with the allowances set out in this policy.

7.6 Significant Unforeseen Repairs

In very rare occasions the Association may identify significant repairs required which are not as a result of planned maintenance. Where works fall into this category this may require decanting of the tenant, with decant arrangements undertaken in line with our Decant Strategy. Disturbance to decoration in this situation will be assessed in the same manner as the planned maintenance scenario.

8.0 RIGHT TO COMPENSATION FOR IMPROVEMENTS

- 8.1 Tenants are advised within their SSTA that they must obtain our written permission if they wish to alter or improve the property. This includes changing fixtures or fittings (kitchen or bathroom installations, central heating, double glazing). Tenants must complete an application form and receive the Association's written permission prior to any work being carried out.
- 8.2 Where tenants have made approved alterations or improvements to the property, they may be entitled to compensation at the end of their tenancy. We will assess compensation in compliance with the Scottish Secure Tenants (Compensation for Improvements) Regulations 2002. Tenants must apply in writing 28 days before the end of their tenancy.
- 8.3 Where a tenant carries out alterations or improvements without our permission, we may require them to reinstate the property to its original condition at the end of tenancy, if they fail to complete this work and the Association has to carry out the reinstatement then the outgoing tenant will be recharged for all costs incurred.

9.0 VOID PROPERTIES

- 9.1 A void property inspection is undertaken by Property Services staff as soon as a property becomes vacant, and this includes assessing decoration standards on a room-by-room basis. Where decoration is deemed to be clean, intact and in good condition a decoration allowance/pack will not normally be offered, regardless of whether the décor is to the taste of the new tenants.

It is acknowledged that the condition of a void property may adversely affect the ability to relet the property; therefore, the decoration allowance/pack will be assessed as an incentive in the following circumstances:

- Wallpaper Damaged
- Woodwork badly discoloured
- Decoration generally grubby and/or discoloured
- Wall coverings very badly stained (including nicotine stains)

- Redecoration required to remove odour

This summary is not exhaustive

The level of decoration allowance/pack awarded will be calculated in accordance with the parameters detailed within Section 10 of this policy.

- 9.2 Where a new tenant moves into a property through a mutual Exchange, a decoration allowance will not be considered as the incoming tenant accepts the condition of the property in line with our mutual exchange guidelines.

10.0 DECORATION ALLOWANCE

- 10.1 Assessment of decoration allowance will be within the undernoted limits and the amount of award paid to a tenant for any one room will normally be limited to a maximum of:

Room	Allowance
Living Room	Maximum £100
Each Bedroom	Maximum £100
Bathroom	Maximum £100
Kitchen	Maximum £100
Hall	Maximum £100
Staircase	Maximum £100
Separate WC	Maximum £50
Dining Room	Maximum £50

Decoration allowance is not expected to cover all tenants' costs in each and every case; the underlying assumption is that tenants will be able to carry out work themselves rather than employing a professional decorator; it is also anticipated that wall and ceiling surfaces will have been left in a suitable condition for decoration with a minimal requirement for preparation by tenants before they start redecoration. The total amount of decoration allowance awarded to a tenant for any one property will be limited to a maximum of £800, in accordance with Financial Regulations.

- 10.2 The Housing and Property Services management teams have delegated authority to approve decoration allowance or compensation for void properties. Property services staff will assess the condition of the decoration at the void property inspection and assess the number of rooms where decoration allowance/pack is applicable, recommending the level of award to be paid/pack provided. If there is any doubt about the eligibility for decoration allowance or the level of award, guidance should be sought from the Housing services Director/Property Services Director.
- 10.3 Where a property is assessed as low demand or difficult to let, Housing Services staff may recommend to the Housing Manager that an additional incentive may be considered to assist in allocating the property, this may be in the form of an increased decoration

allowance/pack. The Housing Manager may approve an increased allowance in this respect.

11.0 PAYMENT OF AWARDS

11.1 Decoration allowance will normally be paid in the form of cash, cheque or BACS.

11.2 Where the tenant advises that they wish to use an alternative supplier or contractor, reimbursement may be approved up to the level of the approved decoration allowance, with this subject to production of original receipts, showing the materials purchased and the costs. A petty cash or cheque request will be completed following approval of receipt.

12.0 DEDUCTIONS FROM AWARDS

12.1 Where an award or allowance is approved for an existing tenant, particularly in relation to Right to Compensation for Improvements, an assessment of the tenant's rent or recharge account will be undertaken. The award may be reduced to take account of any existing tenancy related debt.

13.0 SUBSISTENCE

13.1 In circumstances where a tenant requires to be decanted into accommodation where they do not have the facilities enjoyed in their own home (in particular cooking facilities or where meals are not provided within temporary hotel accommodation) a subsistence allowance may be awarded to contribute towards meal costs. This will be paid at the normal subsistence allowance rate i.e.

Food allowance

Allowance per adult (per day): £15

Allowance per child (under 12): £10.00

Laundry Allowance

Where no laundry facilities are available, reimbursement of laundry costs will be considered.

14.0 DELEGATED AUTHORITY

14.1 The Housing services Sub-Committee have responsibility for reviewing this policy.

14.2 The Housing Services Director and Property Services Director (as appropriate) are responsible for the effective implementation of this

policy. Any claim for compensation linked to our complaint Handling procedures will be considered in line with the approved policy, with the Chief Executive having the authority to authorise any payment or compensation in line with other approved corporate policies.

15.0 APPEALS

15.1 Tenant and prospective tenants will have the right of appeal relating to the level of decoration allowance awarded in respect of void properties or following maintenance work. The Housing or Property Services Director will be responsible for considering appeals received in relation to decoration allowance/packs awarded.

16.0 BUDGET

16.1 Our budgets are set annually, with Property Services budgets addressing reactive, cyclic, planned maintenance and void property costs. Budget setting takes account of anticipated costs to bring void properties up to our approved lettable standard and ensure planned maintenance work is completed in line with our life cycle strategy.

16.2 A separate Housing Services estate management budget has been established in addition to allocation initiatives to allow the Housing Manager to authorise additional incentives (including topping up decoration allowances).

16.3 Decoration allowance will be offered, where appropriate, to both routine and planned maintenance work and addressed within the appropriate budget headings. Monitoring of expenditure against budget is the responsibility of the Property Services Director.

17.0 POLICY REVIEW

17.1 We will undertake regular evaluation of the effectiveness of this policy to ensure it addresses compensation in relation to tenancy matters.

17.2 The Compensation Policy will be reviewed by the Housing services Sub-Committee every three years (or earlier if required).

Lanarkshire Housing Association Equality Impact Assessment Tool



Name of the policy / proposal to be assessed	Compensation Policy	Is this a new policy / proposal or a revision?	Revision
Person(s) responsible for the assessment	Craig Russell		
1. Briefly describe the aims, objectives and purpose of the policy / proposal	<p>This policy aims to ensure that we comply with our landlord obligations and also legislative and regulatory requirements to compensate tenants/customers in certain circumstances.</p> <p>The purpose is to set out the limits of any payments in the form of compensation, subsistence and other allowances</p>		
2. Who is intended to benefit from the policy / proposal? (<i>e.g. applicants, tenants, staff, contractors</i>)	<p>This policy benefits new and existing LHA tenants in relation to decoration allowances awarded.</p> <p>It also benefits tenants who are out of pocket where temporary heaters or dehumidifiers are required to be run.</p>		

	Tenants who require to be decanted will also be provided subsistence allowance (if appropriate)
<p>3. What outcomes are wanted from this policy / proposal ? (e.g. <i>the benefits to customers</i>)</p>	<p>A clear policy that allows customers to understand the circumstances under which LHA will compensate them for some out of pocket expenses or damage to their décor following works carried out by the Association.</p>

4. Which **protected characteristics could be **affected** by the proposal? (*tick all that apply*)**

Age
 Disability
 Marriage & Civil Partnership
 Pregnancy/Maternity
 Race

Religion or Belief
 Sex
 Gender Reassignment
 Sexual Orientation

5. If the policy / proposal is not relevant to any of the **protected characteristics listed in part 4, state why and end the process here.**

The policy is open to all customers and allowances offered and costs paid are based within set limits or on actual costs.

	Positive impact(s)	Negative impact(s)
6. Describe the likely positive or negative impact(s) the policy / proposal could have on the groups identified in part 4	n/a	
7. What actions are required to address the impacts arising from this assessment? <i>(This might include collecting additional data, putting monitoring in place, specific actions to mitigate negative impacts).</i>	n/a	

Signed:



Housing Services Director 26.01.24

Date the Equality Impact Assessment was completed:

Please attach the completed document as an appendix to your policy / proposal report