

Babergh and Mid Suffolk District Councils – Housing Compensation Policy

2023 - 2026

Introduction & Purpose

At Babergh and Mid Suffolk District Councils we are committed to providing high quality services and support for all our customers however we recognise that there will be times when our services do not meet the standards our customers expect. When this happens, we want to provide a fair, proportionate and consistent response to our customers, take a common-sense approach and ensure we learn from our mistakes.

This policy should be read alongside Babergh, and Mid Suffolk District Councils' Complaints Policy and any other relevant policies published by the councils.

It is important to note that financial compensation will not be appropriate or proportionate in every case, but we will consider each case on its merits. We also want to outline the process for requesting and monitoring compensation requests within this policy to ensure transparency.

Policy Details and Scope

Compensation as covered by this policy are cases where there is evidence of financial loss for which Babergh and Mid Suffolk District Councils is liable. This policy will also include details about statutory financial redress which may be applicable.

Key Information

Compensation can be broken down into three types of payments:

Mandatory

For example,

- Statutory Home Loss or Disturbance payments
- Right to Repair Compensation (for local authority housing tenants)
- Right to Compensation for Improvements (for local authority housing tenants)

Quantifiable Loss Payments

- Where the customer can demonstrate actual financial loss caused where we have failed to meet our obligations

This may include but is not limited to, where customers have had to pay out for alternative accommodation or repair, cleaning, or replacement of damaged possessions. The loss must have been reasonably incurred and evidence of such loss must be provided.

Discretionary Payments or Gestures of Goodwill

This may include but is not limited to, where a complaint has been handled poorly, there has been significant delays in providing a service, where we have failed to follow our own policies and procedures or in recognition of time, distress and/or inconvenience as a direct result of our actions or inactions.

Compensation may be considered in the following circumstances:

- Where we, or a contractor acting on our behalf has done or not done something that has resulted in financial loss



- Where we, or a contractor acting on our behalf have damaged property or possessions belonging to the claimant
- Where our actions or lack of action has caused a demonstrable financial loss
- Where we have not delivered a service for which tenants or leaseholders are expected to pay a service charge for

Compensation will not be considered in the following circumstances:

- In cases of actual or inferred personal injury, we will hand the case over to legal representation who will deal with the claimant and their case outside of this policy
- The fault is caused by a third party not employed or instructed by Babergh and Mid Suffolk District Councils
- Damage caused by circumstances beyond our control, such as weather events.
- The issue was caused because of negligence by the customer or failure of the customer to comply with our advice or terms of their tenancy or any other agreements they have with the councils
- Where legal proceedings have been started or are imminent against Babergh or Mid Suffolk District Councils such as Claims for Disrepair
- Where insurance claims are outstanding or ongoing
- Where the issue giving rise to the request occurred more than 6 months ago (excluding delays in repair requests these will be covered under the Right to Repair guidance)
- Matters that have already been considered and resolved previously by Babergh and Mid Suffolk District Councils
- Where damage caused to property or contents is covered by and the claimant is expected to provide their own insurance

Other remedies

There may well be other remedies to a service failure that may be taken separately or in conjunction with an offer of compensation. This may include:

- Practical actions – for example carrying out works that would otherwise be the customer responsibility, such as decoration.
- An apology and putting the issue right.

How will compensation be calculated?

The amount of compensation offered will depend on several factors including:

- Actual financial loss that can be evidenced
- Prescribed amounts in the relevant regulations
- Using guidance from the [Local Government and Social Care Ombudsman](#) and [Housing Ombudsman](#)

We will also consider the severity and associated impacts of any service failure, such as the duration of the problem, the extent of damage caused, and we will consider any vulnerabilities that may be present such as disability.

Where evidencing financial loss for the replacement of certain items or where professional works are required, the councils may require at least two written quotations which should be sent by the customer to the investigating officer and the lower value of the two quotes be used to calculate payment in these circumstances. The Councils may also decide to get their own quotes where necessary.

Where we are making a discretionary payment as defined above, we will use the Housing Ombudsman’s remedy guidance in determining the appropriate amount payable.

Level of Council’s Responsibility	Impact on Resident			
	No Impact	Low Impact	Medium Impact	High Impact
Partial	£0	£75	£200	£350
Full	£25	£100	£300	£600

Impact Definitions

Low Impact: The complaint has been upheld but there has been no significant inconvenience or distress caused to the resident.

Medium Impact: Inconvenience and/or distress has clearly been caused because of a failure in service or there is a repeated failure of a low impact event which would amount to a medium impact on the resident.

High Impact: A serious failure in service which has resulted in a significant level of distress and/or inconvenience over a prolonged period of time or there have been an unacceptable number of attempts to resolve the complaint.

The amounts above should be used as a guide with the investigating officer using their discretion and considering their knowledge of the case. The amounts above are maximum amounts payable for the discretionary payment element of a compensation claim.

Approvals for amounts

Depending on the amount of compensation being offered it will be necessary for the amount to be formerly approved, along with the relevant details and evidence by the relevant person(s) at Babergh and Mid Suffolk District Councils. Amounts over £1000 may need to be raised with Portfolio Holder Members depending on the circumstances and this will be decided by the approving Director(s) on a case-by-case basis. These amounts do not include prescribed mandatory payments, these can be approved by the lead officer.

Amount	Approval
Prescribed Mandatory Amounts	Investigating/Lead Officer
Up to £100	Investigating/Lead Officer
£101- £500	Team Leader
£501 - £1000	Corporate Manager
£1001- £2999	Director
Over £3000	2x Directors

Right to Repair for Council Tenants

Right to Repair compensation is covered by this policy under [The Secure Tenants of Local Housing Authorities \(Right to Repair\) Regulations 1994](#)

Compensation is payable where we, as a landlord have failed to complete an emergency or urgent repair within the prescribed timescales and the tenant has provided reasonable access, in line with the Right to Repair guidance.

Compensation is also payable where a council tenant is unable to use part of their home because repairs are required or are being undertaken.

Qualifying repairs under the Right to Repair regulations must cost less than £250 to carry out.

A full list of qualifying repairs covered by the Right to Repair Regulations can be found at **Appendix 1**.

Home Loss or Disturbance Payments

Home Loss or Disturbance payments are covered by this policy under [Section 30\(1\) of the Land Compensation Act 1973](#). The amounts payable are covered by [The Home Loss Payments \(Prescribed Amounts\) \(England\) Regulations](#) and are updated by central government annually.

Home Loss Payments are payable to a tenant where Babergh or Mid Suffolk District Councils are requiring them to move permanently and will be paid in accordance with the statutory Home Loss Regulations as above.

The payments for home loss are in addition to reasonable compensation for disturbance and is only payable to secure tenants. The payment will only be made once the permanent move has taken place and any monies owed to the councils will be deducted beforehand.

Disturbance payments can also be claimed in cases where it is required to temporarily decant a tenant from their home due to works being carried out that cannot be carried out whilst the tenants remain in occupation.

Disturbance payments are to cover actual costs and reasonable expenses that occur as a direct consequence of a decant, such as removal expenses, disconnections and reconnections of services and mail redirection. Evidence of such costs will be required by Babergh and Mid Suffolk District Councils before payment can be made.

Disturbance costs are not paid if the temporary move is a result of a flood or fire as the tenant's home contents insurance should cover such costs, unless the incident is a result of our action or inaction. Where a tenant is lacking in contents insurance we will work with the tenant by signposting or making referrals to support services that may be able to assist. The affected property will be returned to our void standard.

Right to Compensation for Improvements

Secure tenants may claim compensation for improvements they have carried out to their homes when they are ending their tenancy. Permission must have been obtained for a 'qualifying improvement' and receipts or invoices should be provided for the works carried out as well as proof of permission. The amount payable is up to £3000.

Payments will be adjusted for undue wear and tear or any defects with the improvement present at the end of the tenancy.

Compensation for improvements is calculated based on the notional life of the improvement, divided by the cost of the improvement, minus the number of years of notional life left.

For Example – Improvement costs of £500 and notional life of improvement is 10 years and the tenant has moved out after 2 years of the improvement being completed equates to $\text{£}500/10 = \text{£}50$ per year; 2 years = £100. $\text{£}500$ cost - £100 (for the 2 years) = £400 compensation being awarded.

Any claims for Improvement compensation must be made in writing between 28 days before the tenancy is due to end and no later than 7 days after the tenancy has ended.

A full list of qualifying improvements and their notional lifespans are available in **Appendix 2**.

Claim Process

Customers should follow our normal complaints process which can be found on our website

www.babergh.gov.uk

www.midsuffolk.gov.uk

A request for Compensation will be managed in line with our Complaints Process and the same timescales will apply. Compensation will only be paid once we have received a signed settlement form and we reserve the right to offset any compensation payment against any amounts owed by the customer to the councils. The customer will be advised of the amount to be deducted as part of the settlement agreement. The settlement agreement will also set out how the compensation will be paid, usually by BACS payments to the customer's own bank account.

Where damage has been caused directly as a result of the actions or omissions of Babergh or Mid Suffolk District Councils, or a third party working on its behalf, consideration will be given to reimbursement without the need for the customer to make a claim at further inconvenience and cost to themselves, in particular where the facts are not in dispute however the same process will still need to be followed by the councils to ensure transparency and consistency.

Recovering Compensation from third parties

If compensation is offered and paid because of actions by a third party working for the councils', we will attempt to recover the amount involved by liaising with the contract manager. Where compensation will be sought from a third party this should be clearly stated in the settlement form.

Appealing a decision

If a customer is dissatisfied with the outcome of a request for compensation, they can appeal and escalate through the normal complaints process.

Monitoring and Review

Compensation cases and amounts will be monitored by the Customer Operations team and reported as part of their complaint data reporting. 10% of all compensation claims will be audited annually for the prevention and detection of fraud.

This policy will be reviewed every 3 years or as legislation changes.

Version	Date	Author	Rationale
0.1	December 2022	Housing Transformation Manager	New Policy
0.2	March 2023	Housing Transformation Manager	Appendix 3 relating to approvals and changes from SLT review
0.3	February 2024	Housing Transformation	Amended discretionary amounts

		Manager and Customer Liaison Officer	and clarified the impact decision making.
0.4	July 2024	Head of Transformation and Housing Regulation	Amended last paragraph under Home Loss section to make it clearer what support is offered in result of a flood or fire where no contents insurance exists.
0.5	July 2025	Head of Housing Transformation and Regulation	Updated impact payments table to increase maximum values based on recent feedback from the Housing Ombudsman on some case determinations and removed the row of No Responsibility as not required. Also included reference to the Housing Ombudsman remedy guidance as a reference point when making compensation decisions.



Appendix 1 – Right to Repair (for local authority tenants)

Local authority tenants are eligible for compensation under the Right to Repair regulations if Babergh or Mid Suffolk District Councils fail to carry out a repair within the specified timescale and after a second request again fail to complete the works with the specified time.

A maximum of £50 compensation can be claimed if any of the repairs listed below are not completed within the specified time. The actual amount will be £10, plus a daily rate of £2.

Repair Type	Time in working days
Total Loss of Electrical Power (unless due to utility company)	1 day
Partial loss of electric power (unless due to utility company)	3 days
Unsafe power or lighting socket or electrical fitting	1 day
Total Loss of Water Supply (unless due to utility company)	1 day
Partial Loss of Water Supply (unless due to utility company)	3 days
Total or Partial Loss of Gas Supply (unless due to utility company)	1 day
Blocked flue to open fire or boiler	1 day
Heating or Hot Water not working (between 31 st October & 1 st May)	1 day
Heating or Hot Water not working (between 1 st May & 31 st October)	3 days
Blocked/leaking foul drain, soil stack or toilet	1 day
Leak from water or heating pipe, tank or cistern	1 day
Tap cannot be turned	3 days
Insecure external window, door or lock (not including communal)	1 day
Blocked flue to open fire or boiler	1 day
Blocked soil stack or toilet (where there is no other working toilet in the property)	1 day
Loose or detached banister or handrail	3 days
Leaking roof	7 days
Door entry system not working (preventing entry to block)	7 days
Toilet not flushing (where there is no other toilet in the property)	1 day
Rotted timber flooring or stair tread	3 days
Mechanical Extractor Fan in internal kitchen or bathroom not working	7 days

Appendix 2 – Right to Compensation for Improvements (for secure local authority tenants)

Compensation will only be payable for costs that have been fully covered by the tenant.

Notional Life	Improvement carried out
20 Years	Loft and/or cavity wall insulation Double glazing or other external window replacement of secondary glazing
15 Years	Rewiring Provision of power and lighting or other electrical fitting (including smoke detectors)
12 Years	Bath or shower base Wash-hand basin Toilet Central Heating
10 Years	Kitchen Sink Cupboard Storage in Bathroom or Kitchen Work Surface for food preparations Insulation of pipes, water tank or cylinder Any object which improves the security of the dwelling, excluding burglar alarms
8 Years	Draft Proofing or external doors and windows
7 Years	Thermostatic radiator valves

Appendix 3 – Approval process for compensation payments in complaints

The investigating officer will establish the amount to be offered for compensation in line with the Compensation Policy and best practice guidance provided from the Local Government and Social Care Ombudsman or the Housing Ombudsman.

When compensation is agreed within our complaints process, we ensure that this has been signed off by the Corporate Manager for Customer operations and the relevant Corporate Manager or Director for Housing.

Once the amount due has been agreed internally, the investigating officer will offer the amount to the customer, if this amount is accepted, acceptance will be required in writing.