***FORTH HOUSING ASSOCIATION LIMITED***

***COMPENSATION & GOODWILL PAYMENTS***

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| Code: | FIN 07 |
| Approval: | August 2025 |
| Review Date: | August 2028 |
| Cross Reference: | HM 06 Decant Policy<br>M01 Right To Repair Policy<br>M15 Alterations & Improvements Policy<br>FIN 01 Financial Regulations<br>FIN 02 Financial Procedures |

HAPPY TO TRANSLATE

This document can be made available in alternative languages or formats (such as large print, audio etc). Please contact staff as required.

## Policy Summary

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| This policy has been developed to set out the Association's arrangements in circumstances where we intend to pay compensation to a tenant or other customer for a service failure or a loss. |

## Equalities

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| No equalities issues have been identified in the Equalities Impact Assessment Screening Questions (see Appendix 2) and there is therefore no requirement to complete a full Equality Impact Assessment. |

## Privacy

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| There is no requirement to complete a full Privacy Impact Assessment as there is no change to any data collected associated with the implementation of this policy (see Appendix 3). |

## Policy Owner

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| Name: Head of Corporate Services & Head of Housing Services<br><br>Date of Next Review: August 2028 |

# *FORTH HOUSING ASSOCIATION LIMITED*

# *COMPENSATION & GOODWILL PAYMENTS*

## 1.0 Introduction

1.1 Forth Housing Association aims to provide effective services to all customers, but occasionally circumstances will arise when it is appropriate for us to pay compensation to recompense customers in line with legislation or for a service failure or a loss, that is not otherwise covered by insurance.

## 2.0 Policy objectives

2.1 The Association will seek to achieve the following aims:

- provide fair recompense to tenants or customers who suffer measurable financial loss through temporary loss of amenity or failure of service.
- ensure that any payments are determined in a clear and consistent manner.
- to set out guidelines for the making of ex gratia payments.

## 3.0 General principles

3.1 The following general principles will be adhered to:

- Payments may be an entitlement paid as a matter of course when an event occurs, e.g. replacement kitchen, fitting of a new central heating system or compensation in settlement of a claim when the Association is at fault.
- Unless the payment is an entitlement, tenants or other customers will be asked to provide evidence of their financial outlay (e.g. receipts/ utility bills).
- Except in exceptional circumstances, any claim for compensation should be made within 28 days of the loss of amenity or failure of service.
- Standard allowances and payments, in Appendix 1, will be used.

- The Association will expect tenants to arrange their own home contents insurance and will not make payments for losses covered by such insurance.

- No payments will be made where the failure or loss is due to an act or omission or negligence on the part of the household involved, or visitor.

- Where the loss of amenity or failure of service is due to an action or lack of action by one of the Association's contractors, the Association will normally recompense the tenant or service user and seek to recover the sum from the contractor, unless all parties agree that the contractor should deal with the matter directly.

# 4.0 Types of payment

## 4.1 Decant allowances

4.1.1 Forth recognises that occasions do arise when it has to decant an individual or groups of its tenants. Decants are usually necessary when a property is in need of major repairs work or needs to be refurbished or modernised. This subject is dealt with in a separate policy- HM 06, Decant Policy.

## 4.2 Right to Repair

4.2.1 The Scottish Secure Tenants (Right to Repair) Regulations 2002, entitles a Scottish Secure tenant to have a qualifying repair carried out to their home. In addition, the Regulations make provision for compensation to be paid to the tenant should a qualifying repair not be completed, without good reason, within a maximum period.

4.2.2 This subject is dealt with in a separate policy- M15, Right To Repair Policy.

## 4.3 Compensation for improvements

4.3.1 Under the Housing (Scotland) Act 2001, The Scottish Secure Tenants (Compensation for Improvements) (Scotland) Regulations 2002 tenants have the right to undertake alterations and improvements to their home.

4.3.2 This subject is dealt with in a separate policy- M01, Alterations and Improvements Policy.

## 4.4 Redecoration

4.4.1 In some cases the Association will carry out decoration as part of major works e.g. works to deal with dampness. In these cases the tenant will not be paid a redecoration allowance in addition to the works carried out.

4.4.2 A redecoration allowance is a one off payment to a tenant towards the cost of redecoration where the decoration has been damaged following works. Since decoration is the responsibility of the tenant, it is not designed to meet the full cost of decoration.

4.4.3 Redecoration allowances will not be paid when minor works are undertaken, (eg when one radiator is replaced, one window is replaced).

4.4.4 In the case of planned works which are likely to result in damage to existing decoration (i.e. kitchen replacement) a flat rate payment will be paid automatically once the work has been passed as complete in a particular property. The rate payable per room is set out in Appendix 1.

4.4.5 The Association **may** carry out reinstatement of decoration on behalf of tenants who are elderly, infirm or disabled or have no local assistance. This will be as an alternative to the standard payment and will be agreed between the staff member administering the contract and the tenant.

## 4.5 Loss of rooms

4.5.1 If part of a tenant's home is totally unavailable for use, for more than one working day, due to repairs which we are responsible for carrying out, compensation may be awarded. This will not apply to situations where works are being undertaken to adapt the accommodation to meet physical or medical requirements at the household's request.

4.5.2 Compensation will be based on the proportion of rooms that are out of use and the amount payable is outlined in Appendix 1.

4.5.3 Where the whole property cannot be used, while major work is undertaken, temporary alternative accommodation will be provided in line with the Decant Policy.

## 4.6 Ex gratia and goodwill payments

4.6.1 Ex gratia and goodwill payments are one off discretionary payments for circumstances which do not fit the criteria for a form of payment outlined above. There is no automatic entitlement to ex gratia payments and each claim will require individual consideration.

4.6.2 Payments will be proportional to the degree and nature of failure and the hardship suffered by the tenant or customer. Payments will also take into account the degree to which the Association failed in providing a good service, and also the degree to which the tenant or customer had a contributory responsibility for the failure or loss.

4.6.3 The tenant or customer will be given a clear explanation of how the payment has been assessed. It will be made clear that any payment is made only as a gesture of goodwill with no admission of liability.

4.6.4 Following on from the payment of ex gratia payments, consideration will be given as to what improvements and changes need to be made to help prevent the same thing happening again. This may include:

- Changes to procedure or policy.
- Staff guidance and training.

**4.7 Insurance claims**

4.7.1 Where claims relate to matters covered by the Association's insurances these may be passed on to the relevant company for processing and will be subject to their normal procedures and timescales.

4.7.2 Where a contractor may be liable for compensation costs incurred, the Association will take advice from our own insurers on the most appropriate course of action to be followed taking account of the specific circumstances of the case. Will liaise directly with the claimant on the approach to be taken and will provide advice and support on this as required.

## 5.0 Processing payments

5.1 Requests for compensation can be made to any member of staff who will treat the request in line with our complaints process.

5.2 Compensation payments may be authorised by any staff member in line with standard authorisation levels. In addition, all staff seeking to agree a frontline resolution to a complaint will be authorised to make payments of up to £25 without prior approval.

5.3 Financial compensation awards will normally be paid by direct transfer to claimants. However, where an individual has rent arrears or other debts to the Association compensation will normally be offset against these. Cheques will only be available if requested.

5.4 In exceptional circumstances (i.e. in cases of severe hardship where actual financial loss has been incurred) payments can be made to those with outstanding debt at the discretion of the Director.

5.5 In cases where small ex gratia or goodwill payments are being made, in way of an apology or similar, these may take the form of a gift such as flowers etc.

## 6.0 Monitoring

6.1 The application of this policy will be monitored on a case by case basis by the Head of Housing Services and Head of Corporate Services, in consultation with the Head of Assets and Development. Identified areas of significance from the monitoring activity relating to costs and / or service and performance issues will be reported to the Association's Audit and Risk Management Committee for review and consideration.

## 7.0 Equality and Diversity

7.1 Equality and diversity underpin all our activities and services. When delivering our services, we will ensure that we never discriminate on the basis of sex or marital status, race, disability, age, sexual orientation, language, social origin, or of other personal attributes, including beliefs or opinions such as religious beliefs or political opinions. Also, the Association aims to treat all of our tenants and other customers with respect and professionalism, and we will ensure that our service is fair and accessible to all. Where tenants and other customers have any particular needs or requirements, the Association will do all that it can to ensure that our services are tailored to these. Full details of our Equalities Policy can be found on our website www.forthha.org.uk or can be obtained from our office.

## 8.0 Confidentiality and Data Protection

8.1 We recognise the importance of data protection legislation, including the General Data Protection Regulation, in protecting the rights of individuals in relation to personal information that we may handle, use and disclose about them, whether on computer or in paper format. We will ensure that our practices in the handling, use and disclosure of personal information as part of the processes and procedures outlined in this policy comply fully with data protection legislation, including all associated confidentiality related requirements. More information is available from our Data Protection Officer.

## 9.0 Complaints

9.1 Any tenant, customer or agency that is dissatisfied with the management of their compensation claim will be advised of our Complaints Policy and Procedure.

## 10.0 Policy Availability

10.1 This policy is available on our website and can be made available in a number of other languages and other formats on request.

## 11.0 Policy Review

11.1 Management Committee will review this policy at least every 3 years, and the staff team are responsible for ensuring that it meets legal and good practice requirements.

**Appendix 1**

## Compensation Allowances

The following outlines the standard compensation allowances operated by Forth Housing Association.

| Decant | Allowance |
|---|---|
| **Removal costs** | Actual costs as quoted by an approved contractor. |
| **Disconnection/reconnection of appliances and utilities** | Actual costs as quoted by an approved contractor. |
| **Floor coverings** | Actual costs of lifting and relaying approved floor coverings, except where these are assessed as beyond their expected life span. The Association may in some situations supply temporary floor coverings in decant accommodation (eg where this is considered more cost effective). |
| **Storage costs** | Actual costs as quoted by an approved storage facility (such costs will be paid where storage is a more costs effective than relocation to the decant accommodation). |
| **Meals** | £15 per person per day (to be paid only where B&B accommodation is utilised or other accommodation where additional meal costs would be incurred). |
| **Right to Repair** | **Allowance** |
| **Qualifying repair not completed by the last day of the maximum period** | £15 plus £3 per working day, to a maximum of £100. |
| **Improvements** | **Allowance** |
| **Qualifying improvement works** | (Cost of works - less grant received) X (notional life- age of works in years) divided by notional life of works.<br><br>For allowances between £100 and £4000 |
| **Redecoration** | **Allowances** |
| **Qualifying redecoration eg. New central heating system/Full house window replacement.**<br><br>**New Kitchen/Bathroom** | 1 Bed £125<br>2 Bed £150<br>3 Bed £175<br>4 bed £200<br><br>All properties £100 |
| **Loss of rooms** | **Allowances** |
| **Kitchen** | 20% off the rent for the period affected. |

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| **Only bathroom/shower room (no separate WC)** | 20% off the rent for the period affected. |
| **Only bathroom/shower room (separate WC)** | 15% off the rent for the period affected. |
| **Living room** | 20% off the rent for the period affected. |
| **Bedroom (required for permanent household member)** | 15% off the rent for the period affected. |
| **Ex gratia and goodwill** | **Allowances** |
| **Quantifiable losses** | An amount to reflect the proven loss incurred. |
| **Non quantifiable losses** | An amount to reflect the level of inconvenience caused. |

## Appendix 2 Equality Impact Assessment Screening Questions

## Forth Housing Association - Equality Impact Assessment Screening Questions

### *Compensation and Goodwill Payments Policy*

Will the implementation of this policy have an impact on any of the following protected characteristics?

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|---|---|---|
| 1. Age | Yes ☐ | No☒ |
| 2. Disability | Yes ☐ | No☒ |
| 3. Gender reassignment | Yes ☐ | No☒ |
| 4. Marriage and Civil Partnership | Yes ☐ | No☒ |
| 5. Pregnancy and Maternity | Yes ☐ | No☒ |
| 6. Race | Yes ☐ | No☒ |
| 7. Religion or belief | Yes ☐ | No☒ |
| 8. Sex | Yes ☐ | No☒ |
| 9. Sexual orientation | Yes ☐ | No☒ |

## Appendix 3

## Forth Housing Association - Privacy Impact Assessment

### *Compensation and Goodwill Payments Policy*

1. A substantial change to an existing policy, process or system that involves personal information Yes ☐ No ☒

2. A new collection of personal information Yes ☐ No ☒

3.. A new way of collecting personal information (for example collecting it online)
Yes ☐ No ☒

4. A change in the way personal information is stored or secured
Yes ☐ No ☒

5. A change to how sensitive information is managed
Yes ☐ No ☒

6. Transferring personal information outside the EEA or using a third-party contractor
Yes ☐ No ☒

7. A decision to keep personal information for longer than you have previously
Yes ☐ No ☒

8. A new use or disclosure of personal information you already hold
Yes ☐ No ☒

9. A change of policy that results in people having less access to information you hold about them
Yes ☐ No ☒

10. Surveillance, tracking or monitoring of movements, behaviour or communications
Yes ☐ No ☒

11. Changes to your premises involving private spaces where clients or customers may disclose their personal information (reception areas, for example)
Yes ☐ No ☒