

*Creating affordable  
homes and empowering  
communities*



# Compensation for Service Failure

<b>CONTROLLING AUTHORITY: Director of Corporate &amp; Customer Services</b>		
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**making a splash**  
in the areas we serve

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## 1.0 PURPOSE

- 1.1 It is Boston Mayflower's aim to provide the highest quality services to its tenants, leaseholders, local residents in its area, the general public and anyone else with whom we come into contact.
- 1.2 Where Boston Mayflower has failed to provide services it is contracted to provide, customers will be compensated accordingly. This policy ensures that customers receive effective compensation under the 1973 Land Compensation Acts and The Planning and Compensation Act 1991, for Home Loss and Disturbance when carrying out major improvement for repairs.
- 1.3 The Homes and Community Agency require registered housing providers to ensure that they have policies for compensation for service failure as in the regulatory framework. The Chartered Institute of Housing also makes recommendations in their standards manual that organisations should respond to claims for compensation made by individuals and groups of customers.

## 2.0 COMPENSATION FOR SERVICE FAILURE AND LOSS OF FACILITIES

- 2.1 Where the level of service drops below a reasonable standard, offering compensation demonstrates recognition of the inconvenience a customer has suffered and will help to minimise dissatisfaction. This includes:
  - Loss of facilities in the home
  - Failure to deliver services subject to a service charge
  - Failure to keep appointments
  - Failure of staff or contractors to take reasonable care
  - Failure to attend to complete repairs
  - Failure to complete works within agreed response times
  - Failure to respond to a complaint within specified timescales

### 2.2 Loss of facilities in the home

- 2.2.1 Boston Mayflower will refund tenant's rent where they are unable to use rooms or facilities in their homes for a prescribed period of time. The prescribed period for loss of rooms is one full week. The prescribed period for loss of facilities is 24 hours.
- 2.2.2 Where only certain rooms are affected i.e. installation of a new kitchen or bathroom, compensation will be calculated using the table below describing the net rent to be reduced according to the percentage of room(s) out of use.

Room out of use			
Kitchen	30%	Bedroom 1	20%
Bathroom	20%	Bedroom 2	15%
Living Room	20%	Bedroom 3	15%

- 2.2.3 A refund is to be calculated on a weekly basis, a week being defined as the day the work started plus six days after, and is not payable for rooms out of use for part weeks.
- 2.2.4 Figures for bedrooms are applied cumulatively according to how many are out of use at any one time. For example, tenants unable to use living room and bedroom 1, net rent to be reduced by 40% per week.
- 2.2.5 Where improvement work leads to the loss of essential services, compensation will be based on a percentage reduction for the net rent per day. Compensation is to be calculated as follows:

Facility	% reduction in rent per day
Sole source of heating	25%
Loss of essential services	25%

## 2.3 Loss of facilities in sheltered schemes and services subject to a service charge

- 2.3.1 Boston Mayflower will refund tenant's service charges where there has been a loss of facilities. This includes:
- Loss of heating or hot water in sheltered housing schemes with communal systems for more than three days
  - Loss of laundry facilities in sheltered housing schemes for more than one week
  - Absence of a caretaker for more than one week
  - Loss of door entry system for more than two days
  - Loss of use of lift service for more than one day within an Extra Care facility and three days within a General Needs Sheltered scheme
  - Loss of cleaning of communal areas
  - Loss of greenspace maintenance
- 2.3.2 If cleaning of communal areas of flats is not carried out for two consecutive weeks, customers will receive reimbursement of the relevant service charge for the second week and any subsequent consecutive weeks where the service is not provided.
- 2.3.3 If gardening is missed for two consecutive cycles, i.e. fortnightly in summer or monthly in winter, customers will receive reimbursement of the relevant service charge for the second visit and any subsequent consecutive visit missed.
- 2.3.4 In the above cases, compensation will be based upon the actual charge made for the service not provided. Compensation will be based upon the total period of the lost service and customers will be advised as to how the sum payable has been calculated. Customers in receipt of Housing Benefit should note that the amount of any compensation might be deducted from their benefit entitlement.

## 2.4 Failure to keep appointments

- 2.4.1 Boston Mayflower will consider paying compensation if staff or contractors fail to arrive within the appointment slot agreed with customers either verbally or in writing, without the customer receiving prior notice of the cancellation on the

preceding day. The normal payment in such cases will be £20 as set out in the Rechargeable Repairs Policy.

## **2.5 Failure of staff and contractors to take care**

- 2.5.1 Boston Mayflower will consider compensating tenants if any of their possessions are damaged because a member of our staff or a contractor has not taken enough care when doing a job in their home.
- 2.5.2 Customers are responsible for insuring all furniture, soft furnishings and personal possessions because damage caused to such items in any other way is not covered by the Company's insurers.
- 2.5.3 Boston Mayflower will consider paying the cost of cleaning, repairing or replacing a personal possession if a member of staff has accidentally damaged it. Before doing so, Boston Mayflower may wish to have an independent valuation of the damaged item or to obtain our own quotations for the cost of cleaning, repairing or replacing the item.
- 2.5.4 The Customer should be advised to keep damaged property until the claim has been resolved.
- 2.5.5 Details of any potential insurance claims must be sent to the Finance Administration Manager. For claims over £2,500, the details will be sent to the Company's insurers who will look into the claim.

## **2.6 Nuisance caused by building works**

- 2.6.1 Every effort will be made to make sure that any disturbance caused by building work is kept to a minimum and that work is carried out at a reasonable time of the day. This may not always be possible as some urgent work will need to be completed without delay. Work that is noisy will not normally be carried out at weekends but may have to be done in an emergency.
- 2.6.2 Boston Mayflower will not normally compensate customers who are affected by noise or disturbance caused by building work being carried out by staff or contractors.
- 2.6.3 Customers are advised to contact Boston Mayflower if they have any complaints about work in progress on estates as per the Complaints Policy.

## **2.7 Failure to repair**

- 2.7.1 Boston Mayflower Board agreed to introduce rights for both secure and assured tenants to compensate for failure to repair. The repairs covered by this are listed in point 2.7.5. These are all repairs, which if not carried out, will jeopardise the health, safety or security of the customer.
- 2.7.2 If the work is not completed within a timescale given and a customer contacts Boston Mayflower to report the repair again, a second timescale must be issued. If the repair has still not been completed by the second time limit, the customer will be entitled to compensation.

2.7.3 However, it is important to note that the time limits given for emergency and urgent repairs are not necessarily the time for completing the entire repair. In some cases, especially emergency repairs, it will be the time for getting the situation in hand and reducing the level of urgency. The action taken can be limited to making safe if appropriate.

2.7.4 If a repair has not been carried out by the second time limit and no interim measures are in place that has reduced the urgency, compensation of £10 plus £2 for every day the repair remains outstanding after the end of the second period.

2.7.5 The repairs covered by the Right to Repair Scheme and the time limits for each repair are as follows:

<b>Defect</b>	<b>Prescribed period (in working days)</b>	<b>Category</b>
Total loss of electric power	1	Emergency
Partial loss of electric power	5	Urgent
Unsafe power of lighting socket or electrical fitting	1	Emergency
Total loss of water supply	1	Emergency
Partial loss of water supply	5	Urgency
Total or partial loss of gas supply	1	Emergency
Blocked flue to open fire or boiler	1	Emergency
Total or partial loss of space or water heating between 31 <sup>st</sup> Oct – 30 <sup>th</sup> April	1	Emergency
Total or partial loss of space or water heating between 1 <sup>st</sup> May – 1 <sup>st</sup> November	5	Urgent
Blocked or leaking foul drain, soil sack or (where there is no other working toilet in the dwelling-house), toilet pan	1	Emergency
Toilet not flushing (where there is no other working toilet in the dwelling-house)	1	Emergency
Blocked sink, bath or basin	5	Urgent
Tap which cannot be turned	5	Urgent
Leaking from water or heating pipe, tank or cistern	1	Emergency
Leaking roof	14	
Insecure external window, door or lock	1	Emergency
Loose or detached banister or hand rail	5	Urgent
Rotten timber flooring or stair tread	5	Urgent
Door entry phone not working	14	
Mechanical extractor fan in internal kitchen or bathroom not working	14	

#### Key

Emergency: Repair to be completed in 24 hours from date reported.

Urgent: Repair to be completed in 5 working days

## **2.8 Compensation for Improvements**

- 2.8.1 As set out in the Tenant's Guarantee, the company will grant its tenants similar rights to compensation for improvements under regulations made by the Secretary of State under the Leasehold Reform (Amendment) Act 2014.
- 2.8.2 When a tenancy is ending, the tenant may be able to get compensation from Boston Mayflower for improvements made to their home. It should be noted that, as per the Tenant's Handbook, before any improvements are made written permission should first be obtained from Boston Mayflower. In some cases if prior permission was not obtained it may be applied for when a tenant claims for compensation.
- 2.8.3 A tenant should claim for compensation when they give notice that they will be leaving a Boston Mayflower property. They will also have up to 14 days after the tenancy has ended to make a claim.
- 2.8.4 A tenant cannot get compensation if they are buying their home through the Right to Buy or Right to Acquire scheme because improvements are not included in the purchase price.
- 2.8.5 The right to compensation applies to improvements that were started on or after 1<sup>st</sup> April 1994.
- 2.8.6 Tenants can claim for compensation for:
- The cost of materials (but not appliances)
  - Labour costs, but not for the tenant's own labour
- 2.8.7 Tenants cannot claim compensation for:
- Interior decorating i.e. painting and wallpaper
- 2.8.8 An invoice should be provided to show how much the improvements cost. If an invoice cannot be provided, Boston Mayflower should be notified as soon as possible with a rough estimate of the total cost.
- 2.8.9 Any financial assistance (grants) received to help the tenant make the improvements will be deducted from the cost of the improvement. The value of any improvement will go down each year that it gets older as it is used more. This is referred to as annual depreciation. To calculate the annual depreciation the following formula should be used:

Original cost / Life expectancy = Annual Depreciation.

2.8.10 The Qualifying items are listed below:

<b>Qualifying Item</b>	<b>Life Expectancy</b>
Bath, shower, wash basin and toilet	20 years
Kitchen sink and work surfaces for preparing food	20 years
Storage cupboards in bathroom or kitchen	20 years
Central heating, hot water boilers and other types of	20 years

heating	
Thermostatic radiator valves	20 years
Pipe, water tank or cylinder insulation	20 years
Loft and cavity wall insulation	Guarantee Period
Draught-proofing of external doors or windows	10 years
Double-glazing or other window replacement or secondary glazing	Guarantee Period
Rewiring or the provision of power or other electrical fittings (including smoke detectors)	30 years
Security Measures (excluding burglar alarms)	30 years

2.8.11 Boston Mayflower may adjust the compensation due, after the annual depreciation has been calculated, up or down according to the following:

- The condition of the improvement when a claim is made
- The original cost of the improvement is considered to be too high
- The quality is higher than Boston Mayflower would have provided
- Any rent arrears outstanding on the tenant's account when the tenancy ends

2.8.12 Any false claim i.e. claims for improvements a tenant has not made may result in court proceedings. Any disputes about the compensation should be referred to the ASB and Neighbourhoods Manager.

### **3.0 METHOD**

- 3.1 Customers are requested to contact Boston Mayflower to request compensation. The Customer Services Team will complete a compensation request form and submit it to the relevant service manager.
- 3.2 For this compensation request, customers should provide details of the loss and the sum they want in compensation. The claim will be easier to assess if full details are given of how the damage occurred. Damaged property should be kept until the claim is resolved.
- 3.3 At this stage, if the compensation is less than or equal to £50.00, the CSC Complaints Champion, CSC Manager and Complaints Team have authorisation to process the payment on the service manager's behalf.
- 3.4 Customers will be sent an acknowledgement letter to confirm that their compensation claim has been received and will give details of the service manager investigating the claim and the timelines that are worked to (see appendix 6.1).
- 3.5 The Service Manager will investigate the claim for compensation and will report back to the customer within 10 working days of the receipt of the request.
- 3.6 If compensation is authorised, the rent account is be checked. This is because any claims for compensation from customers will only be paid if they have a clear rent account. If not, the amount payable will be credited to their rent account. No such action will be taken without at first notifying the customer. Once their financial position has been established, the appropriate customer authorisation letter is to be sent (see appendix 6.2 and 6.3).



- 3.7 If the compensation is not authorised, the compensation not upheld letter is to be sent (see appendix 6.4).
- 3.8 On receipt of the completed customer authorisation letter, payment is to be passed to the Finance Team for processing. Payment is either a credit on the rent account or via BACS or cheque which will be sent directly to the customer.
- 3.9 The aim is to deal with claims quickly and efficiently. The target should be to settle a customer's claim for compensation within 28 days.
- 3.10 If a customer is dissatisfied at the outcome of their compensation claim, they should be made aware of the Boston Mayflower Complaints Procedure. Payment of compensation does not prevent a customer from making a formal complaint.

### **3.7 Payment of Compensation to Customers if Contractor's Responsibility**

3.7.1 If a contractor appointed by Boston Mayflower fails to keep an appointment and the circumstances meet the requirements for the payment of compensation, Boston Mayflower will compensate the customer and claim the payment back from the contractor through the monthly valuation process.

3.7.2 The following clause should be inserted in Part A of all contracts:

- *“Appointments with customers that have been made in writing or by telephone by the contractor in relation to any aspect of this contract shall be kept without fail.”*
- *“Any broken appointments may be subject to a customer compensation claim of up to £20.00 per broken appointment. If a customer makes a valid claim, Boston Mayflower will make the payment directly to the customer and deduct the cost from monies owing to the contractor”.*

## **4.0 MONITORING**

### **4.1 Monitoring of Compensation Claims**

4.1.1 The Complaints Officer will have the responsibility for ensuring the logging of compensation claims and monitoring their progress.

4.1.2 At the end of each month, a report will be provided to the Heads of Service detailing the compensation payments made relating to their service area. This will be circulated through with other monthly management information by the Performance Analyst.

### **4.2 Monitoring of the Policy**

4.2.1 The Boston Mayflower Board, having formally adopted this Policy, accepts responsibility for its implementation and for monitoring its effect.

4.2.2 Day to day responsibility lies with the Chief Executive and Corporate Management Team. The Director of Corporate Services will be nominated 'Controlling Authority'.

- 4.2.3 Management of duly authorised procedural / work instruction or amendments will be the responsibility of The Director of Corporate Services Designated Officer who will ensure that they are circulated to appropriate individuals and that they are kept updated with the current versions.
- 4.2.4 This policy will be reviewed in consultation with the appropriate customer involvement group at least once every three years.
- 4.2.5 The Boston Mayflower Board, in consultation with the Property Services Team, Corporate Team and Director of Finance, will review this policy annually.

## **5.0 RELATED POLICIES**

5.1 For further information please see:

- Rechargeable Repairs Policy
- Complaints Policy

## 6.0 APPENDICES

### 6.1 Compensation Claim Acknowledgement Letter

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<enter address>

<enter date>

Dear <name>

#### **Compensation**

Thank you for your claim for compensation received on <date> regarding <details>.

I will ensure the circumstances surrounding your claim for compensation are investigated following our compensation process by <name and title>.

I enclose our “How to Complain” leaflet which explains the complaint and compensation process and our commitment to our responses and timelines to you.

If you have any questions in the meantime, please contact me on 0300 365 5000 or via email to [complaints@bostonmayflower.org.uk](mailto:complaints@bostonmayflower.org.uk).

Yours sincerely

<your name>

**<your job title>**

Enc.

## 6.2 Compensation Offer (account in credit)

*\*delete where appropriate*

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<enter address>

<enter date>

Dear <enter name>

### Compensation

Thank you for your claim for compensation / complaint\* received on <date> regarding <details>. I write to inform you that having investigated your claim for compensation / complaint\*, Boston Mayflower Ltd is prepared to make an offer of: <amount>

**This payment is offered entirely without prejudice in full and final settlement of your claim / complaint\*.**

If you wish to accept this proposal, please sign and return the slip at the bottom of the page. However, if you are not satisfied with this payment, please contact the Complaints Team on 0300 365 5000 or via [complaints@bostonmayflower.org.uk](mailto:complaints@bostonmayflower.org.uk) to discuss further.

Yours sincerely

<your name>

<your job title>

✂ -----

### FAO <your name>: ACCEPTANCE OF COMPENSATION OFFER

I agree to accept <enter amount> as full and final settlement of my claim for compensation / complaint\* regarding <details> in the claim / complaint\* dated <date>.

Please pay into the following Bank or Building Society Account:

Account Holder's name:.....

Bank or Building Society  
account number:

--	--	--	--	--	--	--	--

Branch sort code:

--	--	--	--	--	--

Signed: .....

<enter customer name> of <enter customer address>

Dated: .....

### 6.3 Compensation Offer (account in arrears)

*\*delete where appropriate*

---

<enter address>

<enter date>

Dear <enter name>

#### **Compensation**

Thank you for your claim for compensation / complaint\* received on <date> regarding <details>. I write to inform you that having investigated your claim for compensation / complaint\*, Boston Mayflower Ltd is prepared to make an offer of: <amount>

**This payment is offered entirely without prejudice in full and final settlement of your claim / complaint\*.**

The amount offered will be credited to your rent account to be set against your arrears. This means that you will not receive monies directly but that this amount will be paid to your rent account to reduce the amount outstanding.

If you wish to accept this proposal, please sign and return the slip at the bottom of the page. However, if you are not satisfied with this payment, please contact the Complaints Team on 0300 365 5000 or via [complaints@bostonmayflower.org.uk](mailto:complaints@bostonmayflower.org.uk) to discuss further.

Yours sincerely

<your name>

<your job title>

✂ -----

#### **FAO <your name>: ACCEPTANCE OF COMPENSATION OFFER**

I agree to accept <enter amount> as full and final settlement of my claim for compensation / complaint\* regarding <details> in the claim / complaint\* dated <date>.

I agree that it should be credited to my rent account

Signed .....  
<enter customer's name> of <enter customer's address>

Dated .....

## 6.4 Compensation Claim Not Upheld

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<enter address>

<enter date>

Dear <enter name>

### **Compensation**

Thank you for your claim for compensation received on <date> regarding <details>. I write to inform you that having investigated your claim for compensation, your claim cannot be upheld.

This decision has been made because <please give details>.

If you are not satisfied with this response, please contact the Complaints Team on 0300 365 5000 or via [complaints@bostonmayflower.org.uk](mailto:complaints@bostonmayflower.org.uk) to discuss further.

Yours sincerely

**<your name>**

**<your job title>**



## Equality Impact Assessment Initial Screening

### Social Media Policy

**Name of policy / strategy / project (the "initiative"):**

**Compensation for Service Failure Policy**

**Provide a brief summary of the aims and main activities of the initiative:** (bullet points)

Where Boston Mayflower has failed to provide services it is contracted to provide, customers will be compensated accordingly. This policy ensures that customers receive effective compensation under the 1973 Land Compensation Acts and The Planning and Compensation Act 1991, for Home Loss and Disturbance when carrying out major improvement for repairs.

**Completed by: Director of Corporate & Customer Services**

**Date: 1 December 2015**

#### **STAGE 1: SCREENING**

This stage establishes whether a proposed initiative will have an impact from an equality perspective on any particular group of people or community – i.e. on the grounds of race, religion/faith/belief, gender (including transgender), sexual orientation, age, disability, or whether it is “equality neutral” (i.e. have no effect either positive or negative).

**Q 1. Who will benefit from this initiative?** Is there likely to be a positive impact on specific groups/communities (whether or not they are the intended beneficiaries), and if so, how? Or is it clear at this stage that it will be equality ‘neutral’ i.e. will have no particular effect on any group? *Please consider all aspects of Diversity including as a minimum: Age, Disability, Gender/Transgender, Race/Ethnicity, Religion/Faith/Belief, Sexuality*

All of our customers who interact with Boston Mayflower through the complaints and compensation process and those customers who may interact with us in the future.



## Equality Impact Assessment Initial Screening

### Social Media Policy

**Q 2. Is there likely to be an adverse impact on one or more minority/under-represented or community group as a result of this initiative?** If so, who may be affected and why: Or is it clear at this stage that it will be equality 'neutral'? *Please consider all aspects of Diversity including as a minimum: Age, Disability, Gender/Transgender, Race/Ethnicity, Religion/Faith/Belief, Sexuality*

An adverse impact is not envisaged

**Q 3. Is there sufficient data on the target beneficiary groups/communities?** Are any of these groups under or over represented? Do they have access to the same resources? What are your sources of data and are there any gaps? *Please consider all aspects of Diversity including as a minimum: Age, Disability, Gender/Transgender, Race/Ethnicity, Religion/Faith/Belief, Sexuality*

N/A

**Q 4. Outsourced services – if the initiative is partly or wholly provided by external organisations / agencies, please list any arrangements you plan to ensure that they promote equality and diversity.** *Please consider all aspects of Diversity including as a minimum: Age, Disability, Gender/Transgender, Race/Ethnicity, Religion/Faith/Belief, Sexuality*

N/A





## Equality Impact Assessment Initial Screening

### Social Media Policy

**Q 5. Is the impact of the initiative (whether positive or negative) significant enough to warrant a full impact assessment – see guidance?** If not, will there be monitoring and review to assess the level of impact over a period of time? *Please consider all aspects of Diversity including as a minimum: Age, Disability, Gender/Transgender, Race/Ethnicity, Religion/Faith/Belief, Sexuality*

We do not believe that it will however this will be kept consistently under review

**Q 6. To be completed at six monthly review** Detail actions taken to assess the level of impact over a period of time, or to address any gaps in data. *Please consider all aspects of Diversity including as a minimum: Age, Disability, Gender/Transgender, Race/Ethnicity, Religion/Faith/Belief, Sexuality*