



# COMPENSATION PROCEDURE

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## **1. Purpose**

This document is designed to provide Leeds Jewish Housing Association (LJHA) with operational guidance ('the procedure') for responding to claims for compensation. It should be read in conjunction with the Compensation Policy document, available on the shared drive (L:/shared/current procedures).

## **2. Definition**

Consideration will be given to claims for all compensation, including the following examples:

- Loss of amenities.
- Additional costs incurred as a result of lost amenities.
- Missed appointments.
- Damage to a resident's property and/or decorations.
- Time and trouble payments in the case of service failure.

The above examples are for guidance only - the nature of compensation claims means that each case must be examined on its own merits.

## **3. Departments and Staff Involved**

The following post holders have a role to play in this particular procedure:

- Corporate Services Manager (receives and logs on SASSHA, LJHA's computer system, all complaints before allocating them to the appropriate service manager to be addressed)
- Finance Manager
- Housing Manager
- Sheltered Housing Manager

In the instance of failure to reach agreement:

- Director of Operations

In the case of an appeal by the complainant:

- Chief Executive

Appropriate awareness and operational training should be provided for these roles.

#### 4. Risk Factors

The following risk factors relating to this procedure have been identified:

Risk	Category	Action
Not responding within the required time frame	Medium to high, depending on the nature of the case	Finance Manager to monitor process of claims
Unreasonable and excessive claims	Medium	Compensation Policy to be publicised and clarified in communications to customers
Ineligible claims	Low	Customers to be reminded of the importance of taking out home contents insurance

#### 5. Staff Procedures and Guidance: Key Processes

The following bullet points outline the key processes for staff managing claims for compensation.

##### 5.1 Reporting Methods

- A claim for compensation must be made in writing, either hard copy or digitally (e.g. via email);
- The claim is logged on the SASSHA system by the Corporate Services Manager;
- A copy of the claim is attached to the tenancy file, if the claimant is a tenant or leaseholder;
- Receipt of the claim should be made by telephone, and followed up in writing within 48 hours. The acknowledgment will give the name of the member of staff who will be responsible for processing the claim.

##### 5.2 Timeframe for Reporting

- In line with LJHA's compensation policy, claims made by customers must be submitted within 28 CALENDAR days of any situation giving rise to the claim. LJHA will not normally consider claims which date back earlier than 28 CALENDAR days
- In the case of damage to personal property, damaged items should not be disposed of, repaired or cleaned until they have been inspected by us.

##### 5.3 Assessing the Claim

- The responsible officer will first confirm whether the claim falls into one of the categories below:
  - Statutory payments

- Does Right to Repair apply? (payment would be within legislative requirements, see [http://england.shelter.org.uk/get\\_advice/repairs\\_and\\_bad\\_conditions/repairs\\_in\\_social\\_housing/right\\_to\\_repair\\_scheme](http://england.shelter.org.uk/get_advice/repairs_and_bad_conditions/repairs_in_social_housing/right_to_repair_scheme)). This lists blocked sinks, w.c.'s etc., which could be tenant responsibility.
  - Compensation for improvements
- If this is the case, the claimant will be notified and the claim will be referred to the Director of Operations for the determination of the claim and the appropriate level of compensation according to prescribed formulae determined by the Association.
  - All claims will be assessed within 10 WORKING days.
  - In the case of damage to personal property, damaged items should not be disposed of, repaired or cleaned until they have been inspected by LJHA.
  - Discretionary compensation includes (but is not confined to) the following:
    - Loss of rooms;
    - Loss of utility;
    - Failure to deliver services where there is a communal service charge;
    - Failure to keep appointments/being late;
    - Failure to respond to communications;
    - Failure to provide a service;
    - Delays in providing a service or following a procedure;
    - Neglect or damage by LJHA or its contractor
  - The responsible officer will contact the tenant to arrange to assess the claim. This can involve:
    - Written evidence (bank statement for example)
    - Photographic evidence
    - Corroborative evidence
  - The officer will use a standard form to record the details of the incident/situation that led to the claim, and provide confirmation that evidence has been received.

#### **5.4 Making the Decision**

- The responsible officer will make a decision within 10 WORKING days of receipt of the claim;
- They will write to the tenants giving details of the decision, reasons for the decision, and, details of how to appeal against the decision.
- If the claim is accepted, the officer will request a cheque for the agreed amount to be raised and sent to the tenant.
- If the tenant is in rent arrears, this sum will be paid into the rent account and the tenant notified.

There may be a number of reasons why the claim is rejected. These can include:

- The damage / loss was a direct consequence of the claimant's actions/inactions.
- The damage / loss should be claimed on the householder's insurance.
- If contents were damaged due to LJHA's fault and/or the tenant has no insurance, LJHA's insurance would be approached for this.

## **5.5 Appeal Procedure**

- The claimant may appeal against the decision. The Stage 1 appeal should be made in writing (paper or electronic) within 14 CALENDAR days of receipt of the notification of the decision. The appeals process is 'upwards' not 'downwards'.
- The Director of Operations would handle the appeal. The same time frame and process is used as with the first stage of the compensation procedure.
- Should the appeal be rejected, the claimant has a second and final appeal to LJHA's Chief Executive, whose decision is binding.
- Any further appeal/claim will be referred to the Housing Ombudsman.

## **5.6 Claim for Compensation Arising Out of an Accident**

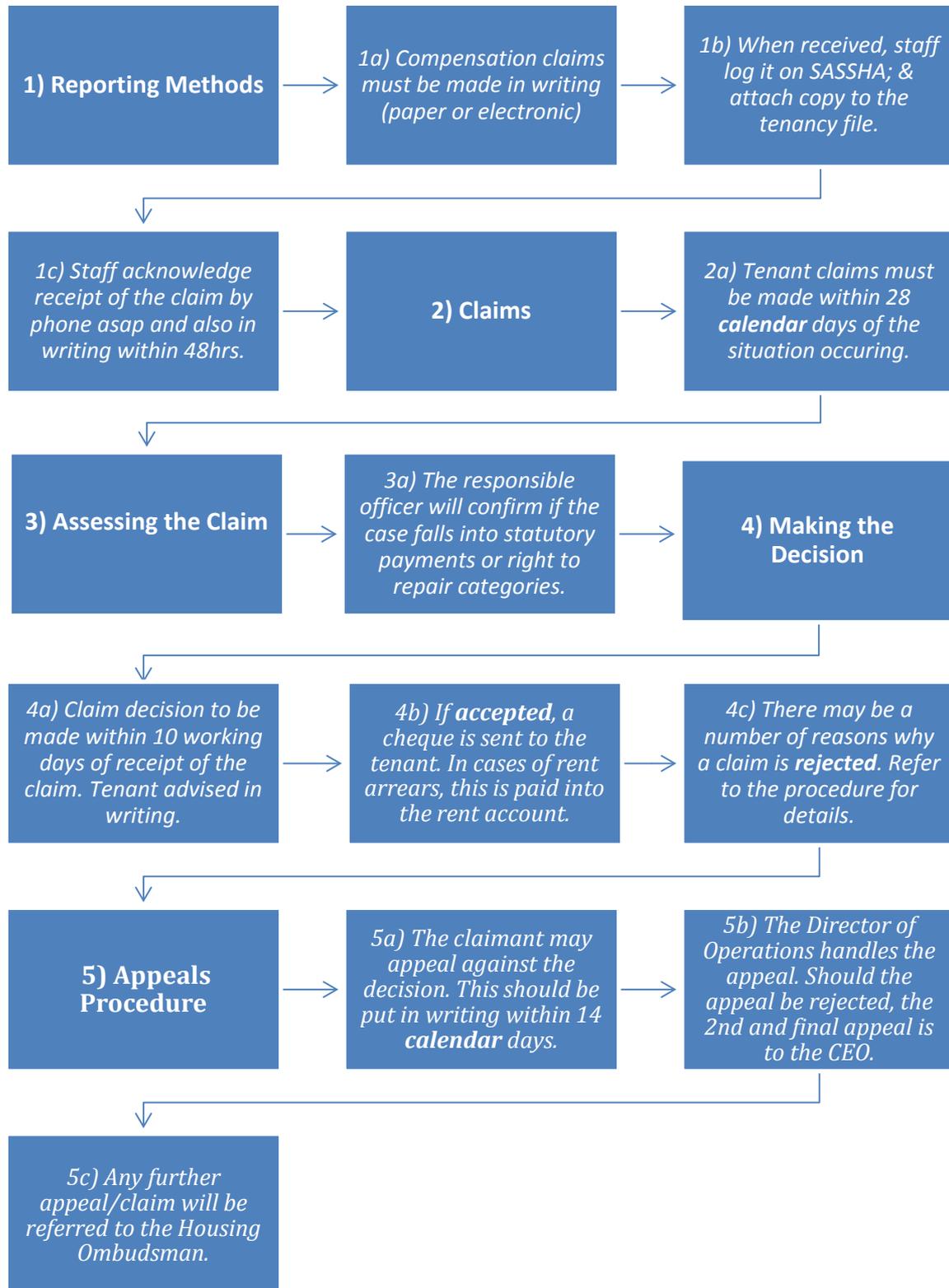
- If there a claim is made for loss or damage arising from an accident on LJHA premises, it is recorded in a separate incident register.
- The Finance Manager, who manages the insurance contract, is notified and notifies the Association's insurers.
- Liability should neither be acknowledged nor declined.

## **5.7 Formula for Calculating Compensation**

- The level of compensation will reflect the loss that has occurred or the cost of restoring the claimant to their original position.
- Suggested compensation levels:
  - Failure to attend an appointment without giving notice: £10 per missed appointment. Where the claimant has lost income or booked leave from work in order to be available for an appointment, the payment can increase up to a maximum of £75 per a half-day. Proof of lost income and booked leave will be required.
  - Uninhabitable rooms: Compensation will be calculated based on the number of rooms affected as a proportion of the total rooms in the property, the weekly rent and the duration of the problem.
  - Failure of services covered by a service charge: Compensation will be calculated based on the service charge payable in the period that the service was unavailable.
  - Compensation may be paid where a claimant has incurred costs in seeking to remedy a service failure, for example the cost of telephone calls or travel expenses. Proof of costs incurred will be required.

## Appendix 1: Procedure Flow Chart

The procedure flow chart below provides an abbreviated indicative summary of the steps involved in the Compensation Procedure. Whilst providing a useful summary, **staff should follow the processes in the section 'Staff Procedure and Guidance: Key Processes' shown on Page 4 of this document as the main source of guidance.**



**Appendix 2: Controlled Forms**

A list of controlled forms associated with LJHA’s Lettings Procedure can be seen below. *Where forms are managed by external organisations, hyperlinks are provided.*

<u>Procedure Stage</u>	<u>Document Name</u>	<u>Location</u>
5.3 “Assessing the Claim”	Compensation Claims: Standard Form for Recording Incident Details	This form is available on the Shared Drive on ‘Shared Policies and Procedures’