COMPENSATION POLICY - INCLUDING HOME LOSS AND DISTURBANCE

Who does this policy apply to:	All staff and tenants
Review Date (minimum every three years)	April 2028
Policy Author/Reviewer and Job Title	Michael Pughsley, Director of Housing

POLICY

Purpose and Scope of the Policy:

This policy sets out the framework for compensating tenants for loss or inconvenience.

Policy Details:

WFHA recognises that there are times when they need to pay compensation to tenants who have suffered a detriment. This maybe a statutory obligation such as Home Loss or it may be due to a serious breakdown in the service WFHA aims to provide.

Compensation is not payable where the detriment is the fault of a third party nor a matter over which WFHA has no control, nor arises as a result of negligence by the tenant or their failure to adhere to the terms of their tenancy.

WFHA through this policy complies with the law and in particular the Housing Act 1996 and Home Loss Payments (Prescribed Amounts) (England) Regulations 2023.

Related Policies:

Health and safety

Equality

Complaint and Compliments

Tenant Standards

Types of Compensation

Repairs – compensation

For emergency repairs not carried out within 24 hours the tenant shall be entitled to compensation of £20.00 per day, up to a total of £200 whilst the repair remains outstanding.

Examples are: -

- no sanitary facilities
- no water supply
- property uninhabitable

Non-Repair Related Compensation:

Where claims for compensation are requested for poor service delivery, the complaints procedure will need to be adhered to.

Any claim for compensation will be recommended by a relevant Manager and agreed by the Senior Leadership Team, providing the amount does not exceed £5000.00. Any claims above this amount will be discussed and agreed by the Executive Leadership Team.

Home Loss

If a tenant is required to leave their home permanently because the WFHA wishes to carry out refurbishment or redevelopment work, the tenant is entitled by law to compensation.

Provided that the tenant has lived in their home for five years they are entitled to a personal lump sum of the minimum home loss payment current at the time. At the date of this policy the sum is £8,100 but this varies over time.

Disturbance

The law also allows for a Disturbance Payment. This is the reasonable expenses incurred by moving from a permanent rented home and in recognition of the inconvenience suffered by the tenant who is either temporarily or permanently displaced from their home. This principle will be applied when calculating what the WFHA will pay. The payment depends on the condition and length of the decant.

The purpose of the payments is to ensure that tenants are adequately compensated for the loss of their home and for the expense of a compulsory move, where either of these are necessitated by repairs, redevelopment or improvement works. Disturbance payments are payable in addition to Home Loss Payments.

If a tenant is required to leave their home permanently, tenants have a right to claim all reasonable expenses involved in moving homes, including telephone connection charges, carpet fitting, curtain fitting etc.

WFHA will assist in organising the removal and where applicable on the provision of estimates from two suppliers will reimburse in full the final invoice.

Improvements

If a tenant has to leave their home, they may be able to claim compensation for improvements that they have carried out in their home, provided they had written permission from the WFHA before the work was carried out.

Other forms of compensation

In line with “repairs” compensation levels these will be amended by the amount of inconvenience caused to the tenant.

For example:

- They are unable to conduct their normal day to day activities.
- They were caused actual physical or mental harm (independent evidence required)
- They incurred and can evidence out of pocket expenses.

Levels of compensation will be calculated in the same way as repairs. Out of pocket expenses will need to be evidenced with receipts and a full explanation of need for them. Physical or mental harm will be considered by the Executive Leadership Team and an offer made.

Procedure

Repairs, non-repairs and other forms of compensation

Any request for compensation can be made verbally or in writing. The claim will be passed to the relevant manager who will make further enquiries about the service failure, loss or detriment incurred and inconvenience experienced by the tenant.

This may require evidence or receipts to support the claim. The Manager would then assess the level of compensation and seek the approval of a member of the Senior Leadership team.

Compensation would not be in cash it would be payable either through a cheque made payable to the named tenant or BACS. The amount a Manager can authorise will be considered in line with their delegated authority under the Financial Regulations.

Disturbance payment

There are two types of Disturbance Payments:

A *statutory* disturbance allowance is payable to anyone entitled to occupy when WFHA seeks to improve or redevelop the unit and the tenant is required to move permanently. The tenant must have had lawful possession on or before the *relevant date.* The date differs depending on the qualifying event:

- Where the property was compulsorily purchased, the occupier must have been in lawful possession when the notice was published or prepared.
- Where the land was compulsorily purchased following a specific Act of Parliament, the date of the publication of the Bill is the relevant date.
- Where displacement occurs as a result of a housing order the date of the order is the relevant one
- Where the land was acquired by agreement the date on which the agreement was made is the relevant one.

In most cases the land will have been acquired long before the tenants moved into their homes. Disturbance payments are therefore not a statutory entitlement for decanted tenants who move from homes they did not occupy at the time of acquisition or development.

A *discretionary* disturbance payment is payable when WFHA want to compensate tenants to ensure that tenants are not unduly disadvantaged through the displacement and to maintain good relationships between the parties.

The amount payable must be made in accordance with the statutory formula for calculating payments current at the time of displacement.

Tenants may discuss the possibility of a Disturbance payment with a member of staff but a claim must be made formally in writing. Staff will be able to support a tenant to make this application. Claims should be submitted with all relevant paperwork as soon as possible. Any payment can be used to offset rent arrears or any other debt to WFHA.

Staff will encourage tenants to seek independent advice, especially if they are unsure of their entitlement.

The amount of a Disturbance Payment is the reasonable expenses in moving from the permanent property. The payment could include the following (depending on the condition of the property and the length of the decant):-

- Removal expenses and/or storage expenses

- The costs of altering soft furnishings, e.g. re-fitting carpets, altering curtains and blinds and re-fixing curtain rails.
- The cost of new curtain and carpets if those in the permanent property cannot be adapted
- Disconnection and reconnection costs for fixtures and fitting such as telephones, cookers, washing machines and other plumbing.
- Re-direction of mail
- Moving and re-erecting aerials and satellite dishes
- Re-decorating allowances (if necessary) for the temporary accommodation.
- Reimbursing extra travel costs if incurred for travel to work
- The regulatory guidance requires that you offer a tenancy of the temporary property. This would run alongside the existing assured tenancy of the permanent property.

Appendices:
Appendix 1 – Acceptance letter for compensation

Document History:
Date of last Review: April 2025
Date of next review: April 2028

Equality Impact Statement:
WFHA must ensure all individuals are treated fairly and in line with legislation relating to the nine protected characteristics identified in the Equality Act 2010 and with the WFHA's Equality policies and procedures. You must comply with the law and WFHA policies and procedures governing equality and diversity. The nine protected characteristics are: age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion or belief; sex; and sexual orientation.

Appendix 1 – Acceptance letter for compensation template

Name

Address

Date:

To: WALTHAM FOREST HOUSING ASSOCIATION

I *NAME* of *ADDRESS* accept this offer of £0.00 in full and final settlement for compensation for the following:

…Fully describe the detriment and event being compensated here…

Please make the cheque payable to: _____ or pay by BACs

Bank:

Account .No

Sort code

Signed: _____

Date: _____

Please return in the pre-paid envelope enclosed and a cheque for the above amount will be sent out to you within 10 working days. Without receipt of this letter we will be unable to process the payment.

Yours sincerely