

This Report will be made public on 13 July 2021

Report Number **C/21/22**

**To:** Cabinet  
**Date:** 21 July 2021  
**Status:** Non key  
**Responsible Officer:** John Holman Assistant Director Housing  
**Cabinet Member:** Councillor Godfrey, Cabinet Member for Housing, Transport and Special Projects

**SUBJECT:** HOUSING COMPENSATION POLICY

**SUMMARY:** This report seeks approval of a new policy for the payment of compensation to Council tenants and leaseholders.

**REASONS FOR RECOMMENDATIONS:**

The Housing Ombudsman requires social housing landlords to have and to publicise a compensation policy for their tenants and leaseholders. Folkestone and Hythe District Council (the Council) does not currently have a compensation policy specifically for the Housing service.

**RECOMMENDATIONS:**

1. To receive and note report C/21/22.
2. To approve the appended Housing Compensation Policy
3. To give delegated authority to the Director of Housing and Operations, in consultation with the Cabinet Member for Housing, Transport and Special Projects, to approve minor amendments to Housing Compensation Policy in the future.

## 1. BACKGROUND

- 1.1 The Council's Corporate Plan 2021-30, 'Creating Tomorrow Together', sets out the priority to deliver a safe, accountable housing service. One of the guiding principles of the Corporate Plan is continuous improvement, seeking feedback and being innovative and creative to find new ways to deliver services.
- 1.2 The appended policy supports this priority, alongside the Council's Customer Feedback and Complaints policy (approved by Cabinet 26 May 2021, reference C/21/02), through the administration and awarding of compensation payments by the investigating complaints officer and/or instruction from the Housing Ombudsman.
- 1.3 As a social landlord the Council has a specific and in some cases statutory obligation to its tenants and leaseholders that it does not have towards the general population of the district. Complaints about housing, therefore, fall under the remit of the Housing Ombudsman (rather than the Local Government Ombudsman).
- 1.4 The appended policy has been developed according to Housing Ombudsman best practice and guidelines and addresses the following types of compensation:
  - 1.4.1 **Mandatory compensation:** Paid under circumstances of 'home loss' or 'disturbance', when a tenant is required to move home because of redevelopment or demolition, or under 'right to repair' which requires specific repairs to be completed within a set time limit
  - 1.4.2 **Quantifiable loss payments:** Where a landlord has failed to meet its obligations and the complainant has incurred costs, (e.g. excessive heating bills or finding alternative accommodation) due to disrepair.
  - 1.4.3 **Discretionary compensation:** Made as a gesture of goodwill, where no practical actions would remedy the adverse effect of service failure e.g. for poor service, unreasonable delays or loss of facility.
- 1.5 Detail on the types of compensation and the circumstances under which each will be paid, is set out in the appended policy; the policy providing a framework for the Council to agree and administer compensation payments in a fair and unbiased way.

## 2. OPTIONS

- 2.1 **Do not adopt the appended policy:** The Council may be expected to pay compensation as a result of a judgement by the Ombudsman or through identified service failure. The Council does not currently have a framework or appropriate guidance to enable its staff to make decisions and award compensation to its tenants or leaseholders in a consistent way.

- 2.2 **Adopt the appended policy as received:** The policy and its associated procedure will provide staff with a clear process for approval and decision-making, based upon the Housing Ombudsman standards and best practice.
- 2.3 **Adopt the appended policy with amendments:** This policy was developed from best practice and guidance. However, if recommended by Cabinet further amendments may be made under delegated authority as set out in recommendation 3 of this report.

### 3. RISK MANAGEMENT ISSUES

- 3.1 Risk management issues are set out in the table below:

Perceived risk	Seriousness	Likelihood	Preventative action
Without a policy, compensation payments may be agreed and/or administered inconsistently	Med	High	Implement policy and ensure staff follow the process and guidance
Compensation payments may exceed budget provision	Med	Med	Adhere to policy and report payments through cyclical performance and budget monitoring
The policy is challenged by an aggrieved party that results in a judgement by the Ombudsman	Med	Low	The policy has been developed to ensure compensation is awarded according to Ombudsman best practice

### 4. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

#### 4.1 Legal Officer's Comments (NM)

It will be necessary to ensure that the Compensation Policy addresses the legal obligations of the Council as a Landlord under the Secure Tenants of Local Housing Authorities (Right to Repair) Regulations 1994, the Housing Act 1985 and the Leasehold Reform, Housing and Urban Development Act 1993.

#### 4.2 Finance Officer's Comments (ST)

There are no financial implications arising directly from this report. There is currently a budget provision of £500 for compensation payments within the HRA. Any additional budget requirement will need to be factored into budget monitoring.

#### 4.3 Diversities and Equalities Implications (GE)

There are no equality and diversity implications arising directly from this policy

#### 4.4 **Climate Change Implications (AT)**

There are no significant climate change implications arising directly from this policy. However, the policy has been drafted to encourage digital communications and payment wherever possible

### 5. **CONTACT OFFICERS AND BACKGROUND DOCUMENTS**

Councillors with any questions arising out of this report should contact the following officer prior to the meeting

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The following background documents have been relied upon in the preparation of this report:

***(Note: only documents that have not been published are to be listed here)***

**Appendices:**

Appendix 1: Housing Compensation Policy