

Compensation Policy

1.0 Introduction

This policy sets out One Manchester's approach to managing compensation claims and aims to ensure One Manchester complies with all statutory and regulatory compensation obligations and provides an accountable and fair system.

2.0 Purpose

One Manchester aims to provide a good and reliable service to all its customers and to resolve any issues before the need for a compensation payment arises. If services fail or fall below our published standards then we will aim to put the matter right i.e. provide redress to restore a person to the position they would have been in had the service failure not occurred. There are a number of remedies available to put a situation right but in some circumstances financial compensation may be the only and appropriate form of redress. We will ensure value for money in applying the most cost effective outcome for both customers and One Manchester.

This aims of this policy are to ensure that we:

- set out the circumstances in which compensation can be paid and/or a gesture of goodwill may be made
- ensure payments are properly assessed, monitored and controlled
- promote consistency
- recognise that compensation claims need to be considered on the merits and circumstances of each individual case with discretion and common sense applied

3.0 Scope

This policy applies to all customers of One Manchester, users of One Manchester's buildings, homes owned by One Manchester but not serviced by One Manchester and any individual or group affected by the services One Manchester provides. Responsibility will also be taken for any detriment or damage caused to an individual or their property and belongings by a third party working on our behalf. There are different types of compensation as detailed in this policy.

3.0 The Policy

Situations where compensation will not be considered

We will not make compensation payments in certain circumstances. For example:

- where the fault/problem is caused by a third party not working on One Manchester's behalf or is something we are not responsible for
- where a claim can or should be made on home contents or buildings insurance
- where the issue was caused because of negligence by the customer or their failure to comply with the terms of their tenancy or lease such as not providing access to contractors to complete work required
- problems resulting from lifestyle choice that have resulted in condensation and mould growth due to lack of heating or air ventilation
- claims for personal injury
- claims for damage caused by circumstances beyond One Manchester's control e.g. storm damage or flooding
- where there is, or has been, a payment ordered by a court or competent tribunal in respect of the same issue

Compensation Policy

- where work is required at a property and full communication of an action plan has been provided in advance and One Manchester has kept to that plan

Certain repair work may damage a customer's decorations. We will always attempt to make good, and if we are unable to exactly match existing decorations we would not offer additional compensation.

We do not compensate for loss of earnings.

We will not reimburse the costs of water lost in draining down to make a repair or electricity for power tools.

Where a customer is taking legal action against One Manchester, for example via a personal injury or disrepair claim, which involves a compensation claim the case will be managed by our solicitors and not considered under this policy.

How to make a compensation claim

Customers can make a claim in several ways:

- by telephone or in person
- in writing by letter or email
- by completing the 'contact us now' online form on our website

A compensation claim form will be sent to the customer to complete and return - providing details of the claim and any losses incurred. It is the customer's responsibility to provide the necessary evidence to support their claim.

However, where the facts are not in dispute and any damage has been caused directly as a result of the actions or omissions of One Manchester or a contractor working on our behalf, consideration will be given to reimbursement without the need for the customer to make a claim at further inconvenience or cost to themselves.

Claims should be made no later than six months after the damage or loss has been incurred. All claims will be acknowledged within five working days and assessed within 20 working days of receipt unless further actions are required to take place before compensation can be considered. Only in exceptional circumstances will we consider a claim after the six month period and that will be assessed on a case by case basis and entirely at our discretion.

How compensation claims are assessed

In assessing a claim for compensation the following factors will be considered:

- the severity of the time, trouble and inconvenience suffered as a result of the service failure and whether this was reasonably foreseeable by us
- whether we have already provided non-financial compensation e.g. repairs carried out
- an assessment of whether the loss or inconvenience could be reconciled in any other manner by the customer
- any known costs that have been reasonably incurred
- recognition of any failure to follow policies and procedures
- the time taken to resolve the matter

Compensation Policy

Other actions may be taken to remedy a complaint either separately from or in conjunction with an offer of compensation. These can include practical actions e.g. offering to undertake repairs or redecoration which would otherwise be a customer's responsibility and gestures of goodwill.

How compensation claims are calculated

- Repair related compensation (not applicable to leaseholders or shared owners)** – compensation payments will only be applicable if we have failed to complete any repairs within our published guidelines or loss of any amenity is as a result of the proven negligence of One Manchester or our contractors. The compensation payment table below outlines the levels of compensation that may be paid:

Reason for compensation	Amount/action by One Manchester
No heating (total loss)	£3 a day after initial 24 hours between 1 October and 30 April.
No heating (partial loss)	
No hot water (total loss)	£1 per day per person (per tenancy records) after initial 24 hours. This is capped at a total of £5 per day.
No hot water (partial loss)	
No power (total loss)	£10 per day after initial 24 hours
No power (partial loss)	
Total loss of mains water if One Manchester's responsibility	£5 per day
Cost of additional food while cooking facilities are unavailable	£10 per day per adult and £5 per day per child after initial 24 hours
Cost of additional electricity used while using a dehumidifier	Refund of out of pocket expenses on production of receipts/electricity bill
Missed appointments by a contractor	Dependant on the contract between the contractor and One Manchester
Damage to or loss of a customer's personal property, belongings or internal decoration	Where applicable a claim will be passed to any contractor's insurance if the damage is caused by them or to our insurers if caused by One Manchester and liability has been confirmed
Discretionary decorating allowance	Up to £25 per room

- Loss of room use:** when the failure to carry out repairs results in the loss or severe limitation of use of rooms or services for unreasonable periods, compensation may be paid as detailed in the table below. Compensation for the loss of a room or facility only applies when a tenant has not been temporarily or permanently decanted by us. The following calculations will be used when there has been a loss of rooms or facilities due to maintenance or repair:

Rooms/services lost	Compensation due
Living room (after 10 working days)	20% weekly rent
Bedroom (only if used & after 10 working days)	20% weekly rent
Kitchen (after 72 hours)	20% weekly rent
Bathroom (after 72 hours)	20% weekly rent
No sanitary provision at all (after 24 hours)	100% weekly rent
Total loss of cold water supply (after 72 hours)	100% weekly rent
Total loss of electricity supply (after 72 hours)	100% weekly rent

Compensation Policy

- **Compensation for improvements:** tenants may be entitled to claim compensation for certain improvements they have made to their home at the end of their tenancy. Claims must be submitted at least 28 days before the tenancy ends. To claim compensation tenants must have fully complied with the following conditions:
 - Obtained three quotes for the improvement and One Manchester agreed with the price and choice of contractor/s (if applicable)
 - Our written permission was requested and obtained
 - All building regulations and planning permission consents were obtained (if applicable) and fully complied with
 - The improvement was post inspected by us and was to an acceptable standard

The amount of compensation will depend on the cost of the improvement and the quality, condition and age of the improvement. Tenants can claim compensation for the cost of materials and employed labour but not for removable appliances, decoration or their own labour. The amount payable will be to a maximum of £3,000 for any one improvement but claims cannot be submitted for improvements that are £100 or less in value. The amount of compensation payable is calculated taking into account depreciation of the improvement using the formula $C \times (1 - Y/N)$ where:

C = cost of improvement work minus any grant or other funding

N = notional life of the improvement

Y = number of years starting on the date on which they improvement was completed and ending on the tenancy end date (part of a year shall be counted as a year)

Improvements that can be claimed for and their notional lives are:

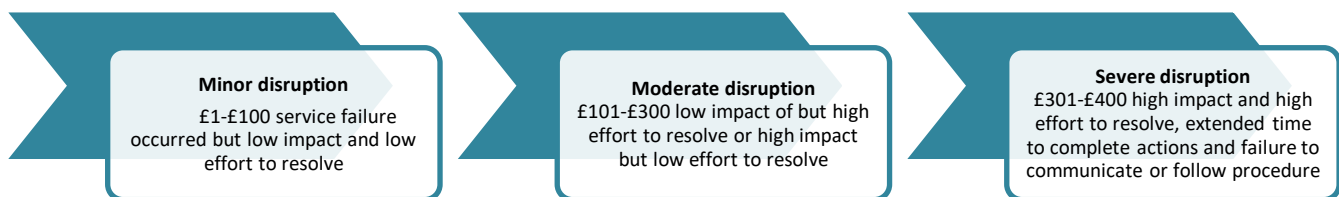
Type of improvement	Improvement must be no older than:
Install bath or shower	12 years
Install wash basin	12 years
Install wc	12 years
Fit kitchen sink	10 years
Fit kitchen units	10 years
Fit work surfaces for food preparation	10 years
Install space or water heating	12 years
Fit thermostatic radiator valves	7 years
Insulation of pipes, water tank or cylinder	10 years
Loft or cavity wall insulation	20 years
Draft proofing of external doors and windows	8 years
Double glazing or other external window replacement or secondary glazing	20 years
Rewiring or the provision of power and lighting or other electrical fittings (including smoke detectors)	15 years
Any object which improves security of the property but excluding burglar alarms	10 years

Compensation Policy

One Manchester may make adjustments after the calculation by making an offer above or below the cost minus depreciation to reflect certain factors including if the deterioration in the quality of the improvement is greater than provided for in its notional life or if the quality is considered to be significantly high. In cases where a tenant installs a measure that does not have a notional life defined above we may be willing to consider compensation and will make an estimate of its notional life based on any product information available at that time.

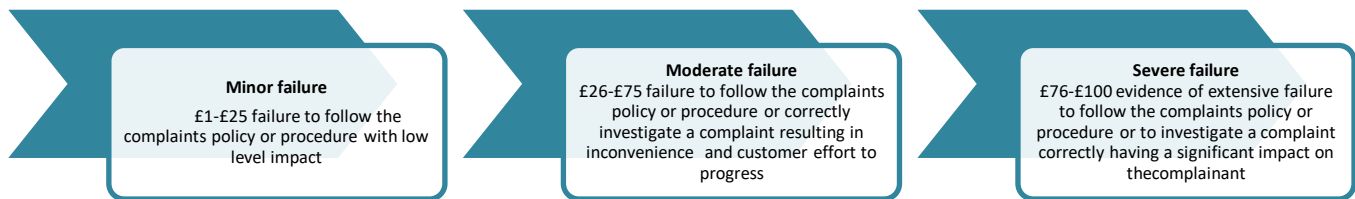
Compensation will not be paid if the tenancy is ended as a result of possession proceedings (commenced or order granted); if the home is abandoned; if there was an ongoing breach of tenancy at tenancy end; succession or the tenancy ends as a result of right to buy or acquire. Vacant possession must be provided before any compensation is paid.

- **Statutory compensation:** home loss and disturbance payments will be made in line with statutory requirements
- **Discretionary compensation:** a payment for time and trouble, inconvenience and distress. It is important that customers are compensated fairly where we have failed to deliver to the standards expected e.g. poor complaint handling, delays in providing a service, failure to provide a service that has been charged for, failure to meet target response times and failure to follow policy and procedure. If we are clearly responsible for a service failure we can make a discretionary payment as detailed below.
 - discretionary compensation for time and trouble, distress and inconvenience:



- discretionary compensation for not adhering to the complaints policy or procedure or failing to manage the complaint effectively through regular communication and proactive management or investigation:

Compensation Policy



- Quantifiable loss:** a ‘making good’ payment where customers can demonstrate an actual loss e.g. increased heating bills due to disrepair, paying for cleaning or carrying out repairs where we failed to meet our obligations, or other out of pocket expenses. Any costs must have been reasonably incurred and evidence of loss/receipts must be provided. Any award will take into account wear and tear and compensation will not be paid on a new for old basis. In some cases it might be appropriate to offer higher levels of compensation but such decisions must be approved by a Director.
- Goodwill gestures:** managers are empowered to make discretionary goodwill gestures such as a bunch of flowers or a small payment in recognition of special hardship where we are not at fault. Payments in these circumstances are not an admission of liability but are designed to restore good relations – even if compensation is not being claimed. The value should be no more than £30.
- Ombudsman determinations:** One Manchester will fully comply with any Ombudsman determination to pay compensation for maladministration or service failure.
- Refused claims:** no compensation will be paid in cases where loss or damage is the result of misuse or neglect by customers or their visitors. Claims will also be rejected that relate to fire, flood or other accidents outside of One Manchester’s control. One Manchester is not responsible for the insurance of customer’s contents or personal belongings including bikes, cars or other vehicles parked on One Manchester land and customers are expected to have all relevant personal insurance cover in place e.g. insurance for their furniture, decoration and their personal possessions against accidental damage, loss, fire and water damage, burglary etc. We will not pay compensation for damage or loss of items/property that would ordinarily be covered by a customer’s own policy even if that policy is not in place. One Manchester supports and promotes an affordable household contents insurance scheme.
- One Manchester insurance:** we have comprehensive insurance in place for all our homes and also public liability insurance. Any claim against either of these policies will be forwarded to our insurer by staff who will not accept liability.
- Complaints:** compensation will be considered as part of any complaints investigation in which it is found that either a) specific financial losses have been incurred or that b) a tenant has had to live in poor conditions for longer than is reasonable due to the failure of One Manchester.

Leaseholders and shared owners

Compensation Policy

- Compensation for time, trouble and inconvenience and poor complaint handling applies to leaseholders and shared owners
- Service charges paid for a specific service that we provide may be fully or part refunded if that service failed to be provided or was not provided in full
- We may refund an insurance excess as a gesture of goodwill if One Manchester is proven to be negligent in our handling of a repair or defect
- If a leaseholder lets out their home we will not compensate for loss of rental income or rent increases and any compensation paid will be discussed with and credited to the leaseholder directly and not the tenant of the leaseholder
- We will only pay for missed appointments on communal repairs if we have specifically requested the leaseholder be present and our records support this
- If a leaseholder has purchased a home from us and we fail to rectify the home defects that have been identified and confirmed by us as a defect within a reasonable time we will consider the following compensation. We will only compensate where we have caused the delays.

Compensation Payments Schedule		
Category of defect	Amount/action by One Manchester	Period after which compensation is payable
Emergency defect e.g. a burst	£1 per day with a maximum of £300 per defect	If not made safe within 24 hours and made good within 30 working days
Urgent defect e.g. a slow leak	£1 per day with a maximum of £300 per defect	If not made safe within five working days and made good within 30 working days
Routine defect e.g. an internal decoration issue	£1 per day with a maximum of £300 per defect	If not completed within 60 working days (unless determined to be addressed as an end of Defect Liability Period repair)

- **Appeal:** offers of compensation will usually only be made once all remedial actions or repairs have been completed. This enables us to understand completely any adverse impact on the customer and ensure this is reflected in our calculations. In accepting a compensation offer customers are acknowledging that their complaint is resolved. If a customer is dissatisfied with the level of compensation offered or whose compensation claims are refused have the right to appeal within 10 working days of the offer. In such circumstances the customer will be asked to specify what they consider is an acceptable amount of compensation and their reasons for requesting it within a further 10 working days. Following this the offer will be reviewed by the officer who made the offer within 10 working days although it does not necessarily mean that any changes will be made to the initial offer. If agreement on a compensatory amount is not reached the case will escalate and be considered under stage 2 of our complaints policy. A Director or Chief Officer will consider the compensation claim and provide a final response within 20 working days of the escalation date confirming the final amount of compensation being offered. Any offer made will remain valid for 3 months from the date of this response after which it will be withdrawn.

Compensation Policy

If an appeal is not received or the offer not accepted within 10 working days the case will be closed but the offer of compensation, as it stands, will remain valid for 3 months from the date of the written offer being made after which it will be withdrawn.

- **Payment:** all payments will be accompanied by a letter noted 'without prejudice' informing the customer that it is in full and final settlement of their claim, and that acceptance of the compensation offer demonstrates their acceptance that the claim has been settled. It is normal practice for One Manchester to clear any debts owed by the customer, including rent arrears and service charge debt, from any proposed payment. Following the offset any balance will be paid direct to the customer by bank transfer or cheque. In all cases cash payments are not made. All payments will be made/credited within 30 working days of the compensation offer being accepted.

5.0 Method and approach

This policy should be read in conjunction with the compensation form and associated guidance notes. As standard, any offer of compensation should be accompanied by an apology; an explanation as to how the failure in service occurred; a demonstration of learning and a commitment to make service improvements.

6.0 Equality

One Manchester will ensure that this policy is applied fairly to all customers. We will not directly or indirectly discriminate against any person or group of people because of their race, religion, gender, marital status, sexual orientation, disability or other grounds set out in our Equality, Diversity and Inclusion Policy. Decisions to offer/refuse discretionary compensation will be based on facts alone and will be approved by a manager or Head of Service not directly involved in the claim or complaint.

An Equality Impact Assessment has been carried out on this policy.

7.0 Responsibility

The Executive Leadership Team is responsible for ensuring that One Manchester's approach to compensation is appropriate and that any trends are acted upon.

One Manchester Directors and managers will be responsible for the implementation of this policy.

8.0 Monitoring and Governance

Compensation payments will be authorised as follows i.e. with a focus on promoting colleague empowerment, discretion and autonomy to enable them to make decisions conducive to the early resolution of disputes:

Payment Amount	Authorised member of staff
Up to £20	Officer
Up to £100	Team Leader/Complaints Team
£101-£300	Service Manager
£301-£1500	Director
Over £1500	Chief Transformation Officer

Performance relating to this policy will be monitored by the Complaints Team and will detail compensation payments for each service area and the associated service improvements to prevent repeat failures. This will be reported annually to Audit and Risk Committee.

Compensation Policy

The policy will be reviewed every three years but the frequency may be amended depending on changes to associated policies such as the complaints policy. We reserve the right to suspend this policy at any time.

9.0 Legislation

Equality Act 2010
Landlord and Tenant Act 1985
Data Protection Act 2018/General Data Protection Regulations 2016
Tenant Involvement and Empowerment Standard
Home Standard

10.0 Associated Policies

Complaints Policy
Equality, Diversity and Inclusion Policy
Repairs Policy