



COMPENSATION & OTHER PAYMENTS POLICY

Written by:	Director of Housing & Operations	Version:	5
Approved by:	Management Committee	Date:	27.11.2024
Next Review Date:	November 2029	Pages:	5

1. Introduction

- 1.1 The Association recognises that it will be required, from time to time, to make compensation or other payments to tenants, former tenants and residents. (hereafter referred to as 'service users').
- 1.2 This Policy sets out the principles under which such payments can be made to service users.
- 1.3 Detailed Compensation & Other Payments Procedures have been developed for staff to follow.

2. General

- 2.1 The payments may be entitlements or discretionary and are detailed in Sections 3-5 and 6-8 below.
- 2.2 No payment will be made where the tenant has outstanding arrears of rent or other debt due to the Association. Any entitlement or compensation will be used to offset this debt. (See para 7.5 for exceptions to this).
- 2.3 Payments will normally be made by a credit transfer to the rent account. However, in exceptional circumstances a cheque or cash refund/payment may be made in the following circumstances:
 - **Former Tenants:** Where the rent account is clear and the former tenant has no other debts to the Association.
 - **Other Cases:** Where, for example, hardship may be caused any payment will be at the discretion of the Director of Housing & Operations.
- 2.4 Redecoration Allowances will be made in the form of a supply order to an approved supplier.
- 2.5 Where appropriate, the tenant or former tenant must sign an agreement accepting any payment made is in full and final settlement.
- 2.6 No compensatory payment will be made where loss has resulted due to damage, abuse or misuse by the service user.

3. Right to Repair and Compensation for Improvements

- 3.1 With regard to Right to Repair and Compensation for Improvements, the Association will act in accordance with the:
- Housing (Scotland) Act 2001
 - The Scottish Secure Tenancies (Compensation for Improvements) Regulations 2002 (No 312)
 - Scottish Statutory Instrument 2002 No 316: The Scottish Secure Tenants (Right to Repair) Regulations 2002
 - Tenancy Agreement
- 3.2 The Association will publicise the Right to Repair scheme on its website and update details of approved maintenance contractors as required.
- 3.3 Under the Housing (Scotland) Act 2001, Scottish Secure tenants and short Scottish Secure Tenants may be able to receive compensation from their landlord for improvements that they have made to their homes on or after 30th September 2002. In order to qualify:
- The Association must have approved the improvement
 - The tenancy must have ended

Tenants can make the application when they have submitted their notice. If the tenancy commenced prior to 30th September 2002 they continue to have rights under the old scheme.

4. Home Loss Payments

- 4.1 The Association will act in accordance with the Home Loss Payment (Specification of Amount) (Scotland) Regulations 1989.
- 4.2 A Home Loss Payment will be paid as compensation for the upset and expense caused where the tenant is forced to move out of their home. This payment is only payable to a tenant who has been moved as a direct consequence of one or more of the following:
- Compulsory purchase
 - A Demolition, Improvement or Closing Order made by the local authority
 - Improvement or Redevelopment by the Association
 - Demolition under any other compulsory power
 - A court order for eviction from a secure tenancy granted to allow demolition or work. If the tenant agrees to move out before the Court Order is granted, there is no right to payment.
- 4.3 In addition to the criteria at 4.2 above, the tenant must have:
- Lived in the house for more than one year at the date of moving, unless the tenant was forced to move (because of one of the above events) from their

previous home, without getting a home loss payment, and their total combined residence in the two homes is more than one year, and

- Moved permanently.

4.4 In Scotland the home loss payment is £1,500 as stated in The Home Loss Payment (Specification of Amount) (Scotland) Regulations 1989.

5. Disturbance Payments

- 5.1 The Association will act in accordance with the Home Loss Payment under the Land Compensation (Scotland) Act 1973
- 5.2 To qualify for a Disturbance Payment tenants must have been in 'lawful possession' of their home at the relevant date and have moved permanently.
- 5.3 The move must have been as a direct consequence of the criteria listed at 4.2 above with the exception of a move caused by an eviction order.
- 5.4 Disturbance Payments are payable for the 'reasonable expenses' of moving. It includes all expenses reasonably incurred during the move, in addition to the cost of the removal itself. For example: removal costs, replacement/alterations to carpets/curtains/blinds, reconnection costs for utilities. There is no fixed, nor restricted amount for this payment.

6. Redecoration and Rent Holiday Allowance

- 6.1 This is provided via a decoration pack and is issued when (a) decoration has been damaged following works, or (b) the decoration in a re-let property falls below an acceptable standard as determined by the Association. Exceptionally, an additional Rent Holiday may be awarded to a new tenant to cover general cleaning or minor items which the tenant has agreed to undertake.
- 6.2 In the case of a new tenancy the tenant will be advised at the time of viewing the property whether either allowance will apply.
- 6.3 Redecoration Allowances may be offered:
- To a new tenant at the start of the tenancy, or
 - Following any work undertaken by the Association which results in damage to the tenant's own decoration.
- 6.4 Rent Holiday Allowances will be paid:
- At the start of a tenancy where the rented property does not quite meet the Relet Standards and the incoming tenant is willing and able to carry out the redecoration works to an acceptable standard; and
 - On the death of a tenant, for a maximum period of 14 days, to allow the next of kin time to clear the property and return the keys to the Association. If the

property is not returned to the Association within the 14 day period the rent will continue to accrue until such time as the keys are returned.

- 6.5 Redecoration Allowances and the Rent Holiday Allowances are intended to assist the tenant in meeting the cost of materials for redecoration but is not intended to cover the full cost.
- 6.6 Levels of allowances will be detailed in the Compensation & Other Payments Procedures and will be reviewed periodically. The maximum allowance payable for a property in a poor condition will be £370.

7. Removal Grant Scheme Payments (Under-occupation)

- 7.1 The aim of this grant is to facilitate under-occupying tenants to move out of Association property in areas of demand where it is their wish to do so.
- 7.2 The Removal Grant Scheme will only apply where:
- The tenant is under-occupying the property by at least one bedroom and by moving to a smaller property the tenant will not be considered to be over-crowded according to the terms of the Association's Allocation Policy.
- 7.3 The decision on whether to move is entirely voluntary on the tenant's part and discretionary on the Association's part having regard to annual budgets and housing demand in the area.
- 7.4 Any costs incurred on re-let repairs which are the outgoing tenant's responsibility and any other debts due to the Association will be deducted from the payment made. Arrears arising purely out of underoccupancy reduction will not be deducted.

8. Exceptional Compensation Payments

- 8.1 Payment may be made to tenants where the Association's actions or inactions have caused the tenant direct and quantifiable loss (not including loss of earnings). The tenant will be asked to provide evidence of the financial loss that has been incurred.
- 8.2 Exceptionally a payment may be made as compensation for distress or inconvenience suffered as the result of a serious failure by the Association to provide a reasonable standard of service.
- 8.3 There is no automatic entitlement to Exceptional Compensation Payments and each claim will be considered on an individual basis. Any payment is made only as a gesture of goodwill with no admission of liability.
- 8.4 All claims for injury to persons or damage to property should be referred immediately to the Association's insurers. Exceptional Compensation Payments

should only be offered if the amount of the claim falls below the excess applicable on the Association's insurance policy.

9. Delegated Authorities

- 9.1 Annual budgets will be set for expenditure.
- 9.2 Staff will have authority to award payments within the approved budgets and as set out in the Scheme of Delegations. Any proposed payments which exceed these limits must be referred to Management Committee.

10. Complaints & Appeals

- 10.1 Anyone who feels that the Association has not complied with this Policy can use the Associations Complaints Handling Procedure which is available by either contacting the office or on our web page.

11. Equal Opportunities

- 11.1 This Policy will be delivered in a way which recognises and respects diversity and in accordance with the Association's Equality, Diversity & Human Rights Policy.

12. Monitoring and Review

- 12.1 This policy will be reviewed when required by change in legislation, but at least every 5 years.