



CO-OPERATIVES

CDS Co-operative Housing Society Ltd

Compensation for service failure and loss of facilities

Approved by BOM 28 JULY 2003

Introduction

The Society aims always to provide a high quality of services to its tenants and to remedy faults swiftly whenever problems do occur. However, occasionally there may be an unacceptable delay in making a repair or restoring amenities. Where the delay is considered unreasonable, it is the Society's policy, in certain circumstances, to compensate the tenant for loss of service or for loss or damage to personal property. The following categories of potential claim are covered in this policy statement:

- Failure of tenant and leaseholder services
- Temporary loss of facilities
- Failure of other specific services
- Loss or damage to personal property
- Disruption and decanting during building works

This policy statement applies to services provided to CDS tenants and leaseholders. It is also applicable to services provided directly to independent co-operative tenant/members within the terms of a management agreement.

Services failures

The Society provides named estate services to tenants and leaseholders (such as grounds maintenance or cleaning common areas of flats) as a term of the tenancy agreement or lease. These services are paid for by the tenant or leaseholder, through the monthly rent or service charge. In most cases, these charges are set on an annual basis and each year's charge is based on actual expenditure during the previous year. (The exception to this is where the service charge is such a small proportion of the monthly rent that it is included in the rent registered by the Rent Officer.) All services are provided by independent contractors following competitive tendering, to ensure best value for money.

Where contractors fail to provide services as agreed, the Society instructs the contractor to take immediate remedial action. In instances where the problem is protracted and the contractor fails to meet the agreed standard of service, the Society will withhold payment from the contractor (where possible) until the service is resumed to a satisfactory standard.

In this way, the cost to the leaseholder or tenant is abated by the amount by which contractors' fees are reduced and this is reflected in the following year's service charge or a credit will be made to the service charge account. For this reason, it is not the Society's policy to provide compensation for failure of tenant and leaseholder services.

Temporary loss of facilities

The Society sets target timescales for carrying out repairs and restoring facilities following breakdowns. The timescales vary according to the severity of the problem. In certain cases, where target timescales are not met, the Society applies fixed amounts of compensation payment for temporary loss of amenities.

Compensation payments are not automatic. In certain conditions, payment will not be considered:

- Payment will not be eligible where CDS has taken all reasonable steps to rectify the fault i.e. if a part is needed from another country and this causes a delay.
- The cause and opportunity to remedy the failure must be entirely within the Society's control. Payment will not be eligible when a service from another provider (such as water, electricity or gas providers) has failed.
- Where the cause of the problem was initially due to damage or negligence by the tenant concerned or by another tenant, payment will not be made.

Each case will be considered with regard to its particular circumstances. The list in Appendix 1 gives a guideline to the types of compensation due in cases qualifying for payment.

Failure of other services

The Society is in the process of setting standards of performance in a number of areas relating to services to tenants and leaseholders. Over time, it is our intention to guarantee those standards and make compensation when they are not met as a result of circumstances within our control. At present, the following service standards are eligible for compensation when failure occurs:

Failure to keep an appointment

If an officer of the Society fails to attend an appointment which was previously confirmed in writing, and does not give 24 hours' notice of cancellation, £5 is payable.

Failure to respond to a formal complaint within 10 working days

If an initial response is not made, in writing, to a formal written complaint, a payment of £5 is payable to the complainant, without prejudice to the outcome of the investigation into the complaint.

Loss or damage to personal property

The Society aims to maintain its homes to a high standard. As well as target timescales for completing routine repairs as they become due, a rolling programme of improvements to homes is underway.

Occasionally, a fault to a building may occur which was unforeseeable and which results in consequent damage to the tenant or leaseholder's possessions. It is the occupant's responsibility to ensure that their home contents are properly insured against accidental damage. The Society is only liable where they are proved to be negligent.

Requests for compensation will be assessed on an individual basis and considered in light of:

- the cause of the damage
- the action taken by the Society to prevent or remedy the initial fault

Where the Society, in its absolute discretion, considers a case eligible for compensation, such a payment will only be in respect of actual costs incurred by the tenant or leaseholder. Compensation will not be made for inconvenience or distress experienced by the tenant or leaseholder.

Any case of personal injury will be referred directly to the Society's insurers and no direct correspondence about the case will be entered into with the tenant or leaseholder.

Disruption and decanting during building works

Very occasionally, the Society may require a tenant to move out of their home in order to carry out major repair or improvement works. The move may be permanent or temporary.

Permanent loss of home

The Land Compensation Act 1973 sets out rules about entitlement to statutory payments when a permanent move is required.

There is a statutory entitlement to a *home loss payment* if a tenant is required to move so that their home can be redeveloped or improved (but not if it is just going to be repaired). This payment compensates for the *permanent* loss of the tenant's home and is a fixed lump sum. There are certain conditions for eligibility and providing these conditions are met, a payment can be requested up to 6 years after the move.

In addition, there is a statutory entitlement to a *disturbance payment* when home loss payment is made. This is a payment to cover reasonable expenses incurred as a natural and direct consequence of having to move and set up in a new home (items such as removal costs, reconnection fees, replacement of carpets and curtains where necessary).

Temporary loss of home

Statutory *home loss payments* only apply if a temporary move is necessary while the property is being totally redeveloped (the tenant/s will return to a totally new home in the same building). Payments are not due when a temporary move is required in order to carry out repairs or improvements.

However, the Society will make discretionary *disturbance payments* when a temporary move is required in order to repair or improve a property.

Guidelines for submitting a request for compensation payment

Tenants and leaseholders wishing to request payment of compensation within the terms of this policy should make their application in writing, addressing it to the Housing Services Manager. Full details should be given of the circumstances leading to the claim. Where loss or damage to personal property is claimed, copy invoices and evidence of damage should be made available where possible.

After the Society receives the request, the tenant or leaseholder may be contacted to provide further details. A target of 10 working days is set for an initial response, with a final response within 10 days of receiving all requested information (subject to authorisation by the Board or its Sub-Committee, as outlined below)..

Authority to make payments within the terms of this policy

Requests for sums up to £500 will be considered by the Society's Housing Services Manager. Sums of £501 to £1,500 may only be authorised by the Housing Services Sub-Committee and sums above £1,501 will be considered by the Society's Board of Management.

This policy has been approved by the Society's Board of Management, at their meeting held on: 28th July 2003

APPENDIX 1
Types of amenity failure eligible for compensation payments

Problem	When is it eligible for compensation?	How much compensation is payable?
Breakdown of central heating - where there is no other form of heating in the property.	If the breakdown continues more than 48 hours after reporting the failure to CDS	£5 per day or part of a day after the first 48 hours. This applies from 1st October to 31st April. Outside these dates, in inclement weather or because of special needs, at the discretion of the Housing Services Manager.
Breakdown of water heating - where there is no alternative form of water heating, such as immersion heater.	After 48 hours of reporting the failure to CDS.	£5 per day or part of a day, after the first 48 hours.
No supply of cold water to any outlet. If within CDS control	After 24 hours of reporting the failure to CDS.	£10 per day or part of a day, after the first 24 hours.
No access to any cooking facilities (loss of gas/electrical supply within CDS control)	After 48 hours of reporting the failure to CDS.	£5 per day or part of a day, after the first 48 hours.
Loss of use of living room - where room is uninhabitable because of repairs due.	After 72 hours of loss of use.	Amount equivalent to 15% of daily rent, per room uninhabitable, after the first 72 hours.
Loss of use of bedroom - where room normally is in constant use but becomes uninhabitable because of repairs due.	After 72 hours of loss of use.	Amount equivalent to 15% of daily rent, per room uninhabitable, after the first 72 hours.
No access to washing facilities (bathroom & Kitchen)	After 72 hours of loss of use.	Amount equivalent to 15% of daily rent, after the first 72 hours.

In every case, the failure must be reported immediately to CDS and access arrangements made for completing the repair. Delay in arranging access may negate eligibility for compensation.