



Compensation Policy

Sheffield City Council Housing Service

January 2025

Sheffield
City Council



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This Policy is also available as a shortened summary and in other languages. Please ask us if you need this translating into any other languages, including braille.

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This document is the responsibility of:

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1) Introduction

- This Policy sets out the Housing Service's approach to offering compensation and has been written in accordance with the Housing Ombudsman's [Complaint Handling Code](#) and [Remedies Guidance](#).
- This Policy should be read in conjunction with the [Council's Corporate Complaints Handling Policy](#).
- The scope of the Policy is for Sheffield City Council ('The Council') Tenants and Leaseholders. Any other party should follow the Corporate Complaint Handling Policy.

The Policy covers the following areas of compensation:

- **Compensation for home loss-** These are payments that can be made when there is a compulsory requirement for the Tenant or Leaseholder to move out of their home on a permanent basis.
- **Compensation following a decant-** We may make a discretionary compensation payment when the Tenant needs to move out of their home either on a temporary or permanent basis, in circumstances such as when there has been a flood, fire, or other emergency or to allow us to complete essential repairs or improvements.
- **Compensation rights for improvements and repairs-** Secure Tenants may be able to make a claim for compensation for improvements they may make to their homes. Secure and Introductory Tenants may also be able to claim compensation under the 'Right to Repair' scheme.
- **Compensation for damage to decoration and / or belongings following repair work, planned improvement work or associated Sheffield City Council work or activity.**
- **Compensation for service failure-** In circumstances where you are a Tenant or a Leaseholder of Sheffield City Council and a complaint has been upheld under the Corporate Complaints Handling Policy, we may consider making a payment of compensation due to a service failure. The decision to award compensation for service failure is a discretionary decision.



This Policy does not cover claims:

- for personal injury
- relating to the provision of care
- for damages caused by circumstances beyond our control (e.g through storm or flooding).
- where legal action is being taken in relation to the specific issue, either by us or by the Tenant/Leaseholder
- where the matter is being processed via an insurance claim
- where the loss or damage has been caused by the Tenant/Leaseholder, a member of their household or visitor
- where the matter or service failure has caused little or no problem to the Tenant/Leaseholder or has been resolved within a specified period as set out in our current service standards relating to the Housing service

This is not an exhaustive list. There may be other matters or service failures that will not be covered by this Policy and each claim will be considered on a case-by-case basis.

How to read this Policy

We would always advise you to read the policy in its entirety. However, each section is written in a way that is intended to provide you with all the information you need about that specific area of compensation.

To help those who are reading the Policy digitally, we have included hyperlinks to direct you to other relevant policies, websites or resources.



2) Our Aims

The Council is committed to providing a high quality of service to all its Tenants and Leaseholders and aims to resolve any issues fairly and proportionately. We recognise there may be occasions where our services fall below our expected standards, and this may result in inconvenience to our Tenants and Leaseholders.

The Council is committed to being fair in our approach. If we don't get something right, we aim to reflect and learn from our mistakes. In doing so we will try to use these opportunities to improve our service and, where appropriate, make changes to policies, procedures and the delivery of employee training.

We aim to ensure that claims and any payments made for compensation are dealt with fairly, proportionately, consistently, timely and on their merits.

What does this mean?

This section explains the aims of the Policy and our commitment to managing claims for compensation in a fair and transparent way.



3) Types of Compensation

3.1 Compensation for Home Loss and Disturbance

These are payments we make when we require a Tenant or Leaseholder to move permanently from their home¹:

- Registered Providers are required to make statutory home loss and disturbance payments. This is set out in sections 29 and 37 of the [Land Compensation Act 1973](#), as amended by paragraphs 3 and 5, Sch.15 of the [Housing Act 2004](#).
- The statutory home loss payment is intended to compensate for the distress and inconvenience caused to the Tenant or Leaseholder when the landlord requires them to move out of their home permanently. Disturbance payments are to compensate for reasonable costs incurred in moving following being displaced from their home.
- A person will qualify for a home loss payment if they were in occupation of the dwelling as their only or main residence throughout a one-year period ending on the date of displacement.
- A person will qualify for a disturbance payment if they were in lawful possession of the land from which they are being displaced from.

3.2 Compensation Following a Decant

A decant is the term used by the Council to describe when it is necessary for a Tenant to move from their home either on a temporary or permanent basis.

We may make a discretionary compensation payment when the Tenant needs to move out of their home either on a temporary or permanent basis, in circumstances such as when there has been a flood, fire, or other emergency or to allow us to complete essential repairs or improvements. These payments will compensate the Tenant for reasonable costs incurred as a result of being displaced from their home.

¹ Owner Occupiers also have statutory rights regarding Home Loss and Disturbance Payments under sections 29 and 37 of the Land Compensation Act 1973.



3.3 Compensation Rights for Improvements and Repairs

Right to Repair Scheme- Eligible secure and introductory Tenants may be able to make a claim for compensation up to a maximum of £50 under the Right to Repair Scheme if minor repairs are not completed within a prescribed time. This right is contained in the provisions in [The Secure Tenants of Local Housing Authorities \(Right to Repair\) Regulations 1994](#).

Compensation for home improvements- Eligible Secure Tenants can claim compensation for improvements they may have made to their homes. At the end of the tenancy the eligible Secure Tenant can submit a claim to be reimbursed for certain types of improvements. This right is contained in the provisions set out in [The Secure Tenants of Local Authorities \(Compensation for Improvements\) Regulations 1994](#).

3.4 Compensation for Damage to Decoration and/or Belongings

Compensation may be payable in the following circumstances:

- When a Tenant or Leaseholder's decorations and/or belongings have been damaged following repair work or associated Sheffield City Council work or activity
- When a Tenant or Leaseholder's decorations and/or belongings have been damaged following planned improvement work.

3.5 Compensation for a Service Failure

We may use discretion to offer a compensation payment for service failure in recognition of loss and damage and/or distress and inconvenience when a complaint has been upheld under the Corporate Complaints Handling Policy.

What does this mean?

This section provides a brief description of each type of compensation we offer and can be used to identify which of these types of compensation is relevant to your situation.

Sections 4-8 below provide more detail on each form of compensation, including how to make a claim.



4) Compensation for Home Loss

A home loss payment is designed to compensate people for the distress and inconvenience of having to move home at a time not of their choosing. These are payments made when it is compulsory for the Tenant or Leaseholder to move out of their home on a permanent basis². This type of compensation is set out in law.

If you are affected by any of our regeneration or demolition schemes, we will have communicated with you personally in advance. This will include ensuring that you are clear how to submit a claim and we will offer you additional support and guidance.

If one of the following criteria apply, a Tenant or Leaseholder may be entitled to a statutory home loss payment:

- Where a housing order such as a demolition order or prohibition order (hazardous conditions) has been made in respect of the property.
- Where a compulsory purchase order has been made in respect of the property.
- Where a possession order has been made due to redevelopment or demolition in respect of the property.
- Due to the redevelopment of land or improvement to a dwelling when the Council has previously acquired it under a compulsory purchase power.

We will make statutory home loss payments in line with the statutory amounts in force at the time the qualifying person moves out of the property. These amounts are reviewed annually by the Secretary of State, usually in October. The home loss payment is: 10% of the value of the property to be demolished, with a minimum of £8,100 and a maximum of £81,000. In the case of tenants (who do not own the property) the payment is currently £8,100. For a caravan dweller, the minimum value of home loss payment is set at the lower rate of £6,100. The amount is subject to amendment by central government from time to time, so if in doubt, check the Government's Land Compensation Manual [here](#).

² Owner Occupiers also have statutory rights regarding Home Loss Payments under section 29 of the Land Compensation Act 1973.



We will pay home loss payments three months following either the date of the claim, the date of the move or from the date the market value has been agreed or finally determined, whichever is later.

As required by law, any claim for statutory home loss payments must be made within six years from the date the move took place. All claims must be made in writing and receipts, invoices etc. should be supplied where possible.

In line with the Land Compensation Act 1973, where there are two or more Tenants or Leaseholders entitled to make a claim to a home loss payment in respect of the same property, for example by virtue of their joint tenancy, the payment will be divided equally.

Disturbance Payments are made when we could have made recourse to the compulsory purchase powers available to us, but this outcome has been avoided by means of prior agreement between the Council and the Tenant or Leaseholder. Where disturbance payments relate to the redevelopment of an area, we will consult Tenants and Leaseholders on the arrangements to apply on a project-by-project basis.

We will deduct rent arrears or any other debt owed to Sheffield City Council from the payment. Any compensation payment that offsets any debt owed to Sheffield City Council will be credited to the relevant account.

What does this mean?

A home loss payment is designed to compensate people for the distress and inconvenience of having to move home at a time not of their choosing.

If you are affected by any of our regeneration or demolition schemes, we will have communicated with you personally in advance. This will include ensuring that you are clear how to submit a claim and we will offer you additional support and guidance.

This type of compensation is set out in law.



5) Compensation Following a Decant

These payments may be made when the Tenant is required to move out of their home on a permanent or temporary basis³.

When Sheffield City Council requires a Tenant to move from their home on a temporary basis (which is known as a 'decant'). Decant accommodation will normally be offered on a temporary basis. However, in some circumstances, this accommodation may be offered on a permanent basis. We will pay reasonable costs arising directly, naturally, and unavoidably from the move. The reason for the move may include:

- A flood or fire at the property or other emergency in the home which makes it unreasonable for the tenant to live there
- Major repairs or improvements are required to the property which cannot be done with the Tenant still living in the home, such as subsidence and under-pinning works, chemical damp proof course work, staircase renewal, or extensive structural repairs.

We will not pay costs if the requirement to move is a result of Tenant damage to or wilful neglect of their home or if the Tenant is being evicted from their home.

Reasonable costs will be paid in several different ways. For instance, we may make all the removal arrangements and pay suppliers direct; we may provide a set amount based on what we consider is the reasonable cost that would be incurred, or we may reimburse Tenants for the actual costs of removal on the production of receipts.

In addition to moving costs, we may also pay for reasonable personal expenses. These will **always be agreed with us prior to the move**. There are not nationally set amounts, but we will normally consider the following:

- Disconnection and reconnection of gas or electric cooker; washing machine, telephone lines

³ There may be situations where the Council are required to provide Owner Occupiers with a decant to alternative accommodation. In these circumstances we will work closely with them to provide an agreed solution.



- Removals costs (including packing service for customers who are older or otherwise identified as vulnerable and requiring assistance)
- Redirection of mail for the period of the temporary decant
- Removal, refitting or replacement of personal support aids.
- Short term storage of items where the Tenant is moving temporarily, will also be considered where the temporary accommodation is smaller than the main home and cannot be left in the main home during the move.
- Where travel to another temporary location, work, schools or caring responsibilities involves outlay or higher public transport costs this will be considered in advance and agreed in writing prior to the decant taking place.

These payments will not be reduced by rent arrears or any other debt to Sheffield City Council.

We will pay for reasonable moving costs for Leaseholders, who are required to move out of their home on a temporary basis when Sheffield City Council is responsible under the lease.

What does this mean?

In this section, the term 'decant' means that Sheffield City Council requires a Tenant to move from their home on either a temporary or permanent basis.

In circumstances when we require you to decant (move) to alternative accommodation, we may make payments to support you with the costs of moving. These costs are unavoidable, such as removal costs or reconnections of utilities.

When making payments where the Tenant or Leaseholder has moved on a temporary basis, our aim is to ensure you are not left out of pocket regarding essential expenses. Some examples of these expenses may include journeys to school, attendance at medical appointments or unpaid carer responsibilities.

If you are affected by the section above, you will have a dedicated point of contact through your Neighbourhood Officer or a similar role.



6) Compensation Rights for Improvements and Repairs

5.1 Right To Repair Scheme

If a Secure or Introductory Tenant has ordered a repair from us and this is not completed on time you may have access to the right to repair scheme.

This scheme only applies to certain types of repairs called 'qualifying repairs'. A full list of the qualifying repairs can be found here in the schedule [The Secure Tenants of Local Housing Authorities \(Right to Repair\) Regulations 1994](#)

Where a qualifying repair has not been completed within a prescribed period, Tenants may be compensated. The scheme covers small, urgent (qualifying) repairs to individual properties, costing up to £250 which, if not carried out within a prescribed period of time, are likely to jeopardise the health or safety of the Tenant.

Tenants will become entitled to compensation when the contractor fails to complete qualified repairs within the prescribed timescale. The amount of compensation will be moderate to reflect the delay in completing the repair, not the cost. We may wish to visit the property to satisfy ourselves that the issue is a qualifying repair, and this will be done immediately. If we decide that it is not a qualifying repair, we will notify the Tenant providing an explanation. If we are satisfied that it is a qualifying repair, we will issue a repairs notice to a contractor and provide the tenant with a copy. If the repair is not completed in the prescribed period, and the Tenant requests another contractor, we will, where possible arrange this and issue a second notice and provide the Tenant with a copy.

If the qualifying repair has not been carried out within the second prescribed period the Tenant is entitled to claim compensation. The sum payable is £10 with a further £2 per day for every extra day the repair is not fixed, up to a maximum of £50.



Right to repair compensation will not be granted if:

- the Tenant does not allow access in order to assess if the repair is a “qualifying repair”
- there is evidence that the Tenant caused the problem
- the repair costs more than £250
- the Tenant does not report the repair
- the Tenant is not available at the agreed time
- the Tenant does not allow the contractor access to the property.

We will deduct rent arrears or any other debt owed to Sheffield City Council from the payment. Any compensation payment that offsets any debt owed to Sheffield City Council will be credited to the relevant account.

5.2 Compensation for Improvements You Have Made to a Property

Secure Tenants can claim money back for improvements they have made to their council home when they are about to leave the property.

At the end of the tenancy the eligible Secure Tenant can submit a claim to be reimbursed for certain types of improvements up to value of £3,000. This right is contained in the provisions set out in [The Secure Tenants of Local Authorities \(Compensation for Improvements\) Regulations 1994](#).

Claims must be submitted no earlier than 28 working days of the tenancy ending and no later than 14 working days after the end of the tenancy. We would require proof of the improvement work being completed, including receipts. Any work carried out must be done by a competent and suitably qualified tradesperson in compliance with Health and Safety Legislation relating to structural, gas, electrical works and use of any equipment.

We will not accept claims for: -

- improvements costing less than £50
- compensation if you're buying your home through Right to Buy.

To claim compensation Tenants must confirm: -

- the Council gave written permission for the work before you started it



- the work has added value to the property
- it was you who paid for the work and not a previous Tenant
- the work is not something already paid for by a council grant

The money you get back from us will not be more than the cost of the work. Your compensation will also take into consideration depreciation of the item. We will not normally deduct rent arrears, or any other debt owed to Sheffield City Council from the payment.

You can read more guidance here - [The Secure Tenants of Local Authorities \(Compensation for Improvements\) Regulations 1994](#)

What does this mean?

This type of compensation is only applicable to those who are about to leave or have just left their tenancy. If you have made an alteration to your property, such as installing a new kitchen or bathroom, you may be eligible for compensation. This compensation recognises that this improvement will have made the property more desirable for the next tenant who moves in.

Please note that to be eligible for this type of compensation, you must have obtained written permission from us before you started the improvement work.

If you believe you are eligible for this type of compensation, you should contact us via email at repairspolicy&improvementsteam@sheffield.gov.uk



7) Compensation for Damage to Decoration and/or Belongings Following Repair Work, Planned Improvement Work or Associated Sheffield City Council Work or Activity

Tenants and Leaseholders can make a claim for compensation for damage to decoration and / or belongings without needing to make a complaint. We accept claims by telephone, email, online contact form, letter or in person.

We will aim to acknowledge the claim within three working days of receipt. We will not normally consider a claim if it is made more than six months after the damage occurred.

A Tenant or Leaseholder may need to give us or our contractors access to, or allow inspection of, the damaged property.

In assessing any claim for damage, we will need to gather relevant evidence. For decoration damage this is likely to require a site visit. The evidence we will gather may include: -

- Proof of ownership and the value of the lost or damaged item. For example, photos, instruction booklets or receipts, where possible.
- Proof of the damage (This may include the damaged items themselves).
- Supporting information about how the damage has occurred.

When considering what is reasonable in circumstances of quantifiable loss of damage, we will take into account: -

- The age, quality, and condition of the damaged item (wear and tear)
- The original cost of the damaged item
- The average life expectancy of the damaged item
- Any special circumstances, e.g., the location of the damaged item
- The area of decoration that has been damaged.

We base the grant on how many rooms are affected. The living room, dining room, kitchen, hall/stairs/landing, bathroom and WC, and each bedroom are counted as rooms.



Regarding compensation for quantifiable loss or damage, when deciding what is reasonable, our aim is to restore the Tenant or Leaseholder to the position they were in prior to the loss or damage occurring. We will aim to not leave the Tenant or Leaseholder in a worse position than they were prior to the loss or damage occurring. In some circumstances, where a reasonable like for like replacement is not available, we may consider replacing old with new. This will be at our discretion.

We encourage Tenants and Leaseholders to take out their own contents insurance to cover belongings and decorations against loss, fire, flood, or accidental damage where they can. We work with a major insurer to offer a tenants home contents insurance scheme and more information can be found here - [Council tenants' home contents insurance scheme | Sheffield City Council](#).

We will not offer compensation in the following circumstances: -

- There is a separate settlement agreed via court proceedings, or you have issued legal proceedings against us
- When a claim is being dealt with by our insurers. This includes public liability claims and claims for personal injury being dealt with by the Insurance Team
- Where we have no legal or contractual responsibility for providing the service or product, e.g. mains electrical supply
- If decorations are only slightly affected or if our contractor decorates the rooms as part of the improvement work.
- The damage or loss was caused by circumstances beyond our control e.g. through storm damage or flooding
- Where a water leak causes loss or damage to personal possessions, Sheffield City Council will not be responsible if we were not at fault. Whether the leak comes from inside the Tenant's home, from another property or from another part of the building, we will not pay compensation.
- Where the damage or loss was caused by a contractor or other worker who was employed by the Tenant or Leaseholder
- Where the Tenant has put down laminate flooring or similar and we need this to be removed to carry out a repair. It is the Tenant's responsibility to remove and re-lay this prior to and after any repair work that we carry out, e.g. access to underfloor pipework for plumbing repairs. This includes the Tenant meeting any cost to do this.



Mitigating factors are those actions that the Tenant or Leaseholder did or failed to do which made the situation worse. We will take these into account when calculating compensation. This may include: -

- A Tenant or Leaseholder's delay in reporting an issue
- A Tenant or Leaseholder's poor maintenance of the property
- A Tenant or Leaseholder's failure to allow us access to the property
- A Tenant or Leaseholder not responding to calls or requests for information
- Misuse or damage to the property
- The extent to which losses or damage were kept to a minimum (i.e. not made worse). An example of this could be where there is a leak, and the Tenant does not put a bucket or bowl under a leak thereby allowing the room to flood.

We will aim to contact the Tenant or Leaseholder with the outcome within twenty working days of making an assessment.

We will not normally deduct rent arrears, or any other debt owed to Sheffield City Council from the payment.

What does this mean?

This type of compensation covers two areas:-

- We may pay compensation for damage to your decorations when we have carried out repairs, improvements or other work to your home. An example of this type of situation is where we have damaged plaster to a wall to do electrical work. As a result, that area requires wallpapering or painting to put this back to how it was before the work. We would assess any damage before paying you compensation.
- We may pay compensation for damage to your belongings if we have damaged them as a result of carrying out our work. We would assess any damage before paying you compensation.

To make a claim for this type of compensation you would need to contact the team responsible for carrying out the work. If you are unsure of which team was responsible, please contact your Neighbourhood Officer who will be able to advise further.



8) Compensation for a Service Failure and Goodwill

8.1 Compensation for service failure

On occasion, a Tenant or Leaseholder may have reason to complain about the Housing Service. Where this complaint is upheld, in most situations, an apology, resolving issues and a commitment to learning lessons for the future will be an appropriate and proportionate response. However, in certain circumstances, to put things right when things have gone wrong, we may make a discretionary decision to award financial compensation. These complaints must be made via the [Corporate Complaint Handling Policy](#).

Where compensation is being considered because of a complaint, we would normally make the offer at the end of the investigation, but we may offer compensation at any time during the complaints process.

We will not normally consider a claim if it is made more than six months after a service failure occurred. An exception may be made if, for example, the reason for the delay is as a result of our actions (or inaction).

When considering awarding compensation for service failure, the factors we will take into account include, but are not limited to the following: -

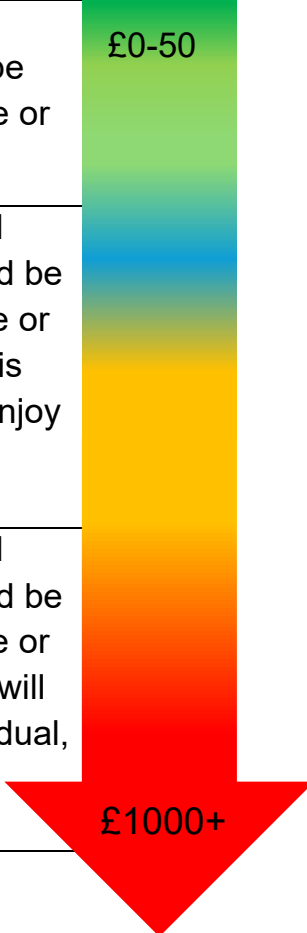
- Severity of any service failure or omission
- Length of time that a situation has been ongoing
- Frequency with which the issue has occurred
- Number of different failures
- Cumulative impact on the Tenant or Leaseholder
- A Tenant or Leaseholder's particular circumstances or vulnerabilities including family life, use of their home and impact on health and emotional well-being
- Unreasonable delays in resolving matters
- We may consider loss of earnings that can be evidenced and arise directly from the identified service failure

When calculating compensation, we will consider the impact on the Tenant or Leaseholder. Through consideration of impact, we ensure that the focus remains on how the service failure has affected the Tenant or Leaseholder, as



opposed to focusing purely on the service failure event(s). The factors below will be used as a guide when considering impact.

| | | |
|---------------|---|--------|
| Tier 1 | Service failure that had an adverse and demonstrable impact on the person. This could be from a single significant incident of service failure or a series of failures. | £0-50 |
| Tier 2 | Service failure that had a significant adverse and demonstrable impact on the individual. This could be from a single significant incident of service failure or a series of failures. The impact on the individual is time-limited but is likely to impair their ability to enjoy and experience day to day activities during this period. | |
| Tier 3 | Service failure that had a significant adverse and demonstrable impact on the individual. This could be from a single significant incident of service failure or a series of failures. The impact on the individual will have a long-term or life-long impact on the individual, including impairing their ability to enjoy and experience day to day activities. | £1000+ |



Mitigating factors are those actions that the Tenant or Leaseholder did or failed to do which made the situation worse. We will take these into account when calculating compensation. This may include: -

- A Tenant or Leaseholder’s delay in reporting an issue
- A Tenant or Leaseholder’s poor maintenance of the property
- A Tenant or Leaseholder’s failure to engage with us to resolve the issue

We will not normally offer compensation in the following circumstances:-

- If there has been a separate settlement agreed via court proceedings, or you have issued legal proceedings against us



- When a claim is being dealt with by our insurers. This includes public liability claims and claims for personal injury being dealt with by the Insurance Team
- Where we have no legal or contractual responsibility for providing the service or product, e.g. mains electrical supply

We will not normally deduct rent arrears, or any other debt owed to Sheffield City Council from the payment.

8.1 Goodwill payments

In exceptional circumstances we may offer a goodwill payment. This is a discretionary financial payment or other gesture. In making a goodwill payment we are not accepting any liability or fault in connection with the goodwill payment.

What does this mean?

This type of compensation may be considered when a manager has investigated a complaint under the [Corporate Complaint Handling Policy](#) and has found the complaint to be upheld.

We appreciate that these occasions can be distressing for those involved. In the majority of situations, an apology and a commitment to learning lessons for the future will be an appropriate and proportionate response. However, on occasions when we identify that you have suffered a significant impact and / or severe long-term impact, it may be appropriate to offer you financial compensation as part of our efforts to put right what went wrong.

