



**MANCHESTER
CITY COUNCIL**

COMPENSATION POLICY – MANCHESTER CITY COUNCIL HOUSING SERVICES

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Prepared by:	Resident Experience Team
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1. Introduction

- 1.1 This Procedure sets out the circumstances whereby Manchester City Council Housing Services will consider compensation gestures to residents. It is not designed to act as a ‘replacement’ for contents insurance cover, which residents are advised to obtain at the point of sign up.
- 1.2 In all circumstances, Manchester City Council Housing Services will only consider payments where there is an **identifiable service failure**. Compensation offers will reflect the level of inconvenience, disturbance, stress or annoyance suffered, and the extent to which Manchester City Council Housing Services (or its sub-contractors) have been directly responsible. It will also consider any excessive time taken to resolve the problem and any reasonable costs incurred by residents.
- 1.3 Where a resident’s personal effects are damaged as a result of an identified service failure, the age and average lifespan of the item will be considered in the compensation offer, and in some circumstances the professional services of a loss-adjustor will be employed. The level of compensation will be reasonable, justifiable and proportionate. Compensation offers will take into account the value of any feasible insurance claim, even if the resident has chosen not to have insurance in place.
- 1.4 Compensation gestures will usually be offered as either a ‘sum of money’ or a ‘store credit voucher / gift voucher’. However, where appropriate, compensation may include the replacement of damaged item(s) directly and/or purchasing of goods which act as a ‘goodwill gesture’, for distress or inconvenience caused to the resident by the identified service failure.
- 1.5 As per the Housing Ombudsman approach to ‘offsetting’, if a resident who is in rent arrears is offered financial compensation, this will not to be used to offset any arrears *unless* the resident explicitly requests this.
- 1.6 Compensation is not automatic and gestures will only apply where it is not possible to resolve the service failure through some other mechanism, such as returning something to its original state.

2 Levels of Compensation

- 2.1 There are several factors to consider when making a payment in recognition of a service failure, including relevant legislation such as the Right to Repair¹ and Home Loss Payments². This procedure should act as a guide, but it is important to take account of the individual factors of each case when coming to a decision – in particular the presence of any ‘aggravating factors’, as set out

¹ [Using the right to repair scheme - Citizens Advice](#)

² [The Home Loss Payments \(Prescribed Amounts\) \(England\) Regulations 2019 \(legislation.gov.uk\)](#)

by the Housing Ombudsman³ in their remedies guidance. In all cases, compensation offers should align with the Housing Ombudsman's Remedies Policy⁴.

- 2.2 To assist all colleagues in determining a fair 'award' for compensation, the following guidance is provided. This is based on the Housing Ombudsman's guidance, which sets out the level of compensation they would be likely to award, in any 'order' they issue against a Landlord. It is worth noting that complex complaints, which include more than one significant issue (e.g. a serious failing in repairs being completed, as well as a lengthy decant which has had a lasting impact on a resident) could result in multiple 'orders' from the Ombudsman. Therefore each key 'issue' should be assessed against the below criteria, and in some cases it will be appropriate to award multiple amounts.

If this is the case, you should ensure that the resident is made aware of how you have determined the compensation against each 'issue', and what the value is, so they understand that all aspects of their complaint have been considered and factored into the compensation amount.

This will also assist the Housing Ombudsman in any future investigations, to understand the Landlord's decision making and subsequent offer of redress.

Compensation Guidance

- 2.3 **Awards of £25 to £100:** Compensation gestures of this level are designed to acknowledge minor issues in areas such as failures in communication and failures in service delivery. Any such issues are likely to have a relatively small impact on residents (e.g. a missed appointment where the person has waited in all day). Feedback officers can issue payments in this band at their own discretion, and these will be monitored and reported by the Resident Experience Manager monthly.
- 2.4 **Awards of £100 to £600:** Remedies in this range are used for instances of service failure that result in serious, but not-lasting, detriment to the resident. This could include multiple attempts to resolve a matter over a number of weeks or months, where Manchester City Council Housing Services (or its sub-contractors) were at fault but have now resolved the issue(s). Feedback officers can make payments in this band, following agreement with a manager from the relevant service area.
- 2.5 **Awards of £600 to £1000:** Remedies in this range represent instances of significant service failure that have a significant impact on the customer. This could include failing to act over a considerable time in accordance with Policy,

³ [Guidance on remedies \(housing-ombudsman.org.uk\)](https://www.housing-ombudsman.org.uk) (See page 17 for the Ombudsman's definition of 'aggravating factors')

⁴ [Policy on Remedies \(housing-ombudsman.org.uk\)](https://www.housing-ombudsman.org.uk)

for example to address repairs, to make reasonable adjustments or where there are significant and repeated instances of service failure. Feedback officers should refer such cases to the Resident Experience Manager for approval, who will gain agreement for the payment from the relevant Head of Service or Strategic Lead.

- 2.6 **Awards above £1000:** Manchester City Council Housing Services recognises that there may be a very small number of instances where such a payment is required. In these instances, payments will reflect a significant long-term effect on the customer, including physical or emotional impact and/or the presence of any aggravating factors that the Council (or its nominated contractor) has failed to act upon appropriately. This could include serious and sustained mishandling of an issue leading to loss or potential loss. Payments above £1000 will require review by a Strategic Lead or the Assistant Director for Housing.
- 2.7 **Mitigating factors:** Any calculation of payment will take account of actions by residents that may have exacerbated or prolonged the issue. This can include failing to communicate with Manchester City Council Housing Services (or its sub-contractors), failing to bring a matter to the attention of Manchester City Council Housing Services (or its sub-contractors) in a reasonable timeframe, refusing to make a complaint, refusing access to a property to assess and complete repairs, or where contact is excessive or unreasonable in line with the definitions contained within Manchester City Council Housing Services policies.

3 Exceptions

- 3.1 Compensation **will not be considered** in the following circumstances:
- 3.1.1 **Beyond Manchester City Council Housing Services Control.** This includes issues that fall under the remit of other organisations, for example a utility company or third-party provider not instructed by Manchester City Council Housing Services. In such circumstances officers will make every effort to advise residents on who they are best to contact for help.
- 3.1.2 **Insurance claims.** Manchester City Council Housing Services will not make compensation payments where the issue is subject to an ongoing insurance claim under a contents insurance policy, or where appropriate insurance could have covered the loss, had it been in place. Contents insurance claims are appropriate where there is no fault on the part of Manchester City Council Housing Services, for example, where it was not possible to foresee a water leak. Similarly, Manchester City Council Housing Services will not make compensation payments where the issue is subject to other legal action, such as a public liability claim or a legal disrepair claim.
- 3.1.3 **Removal or repair of items.** Manchester City Council Housing Services will only consider compensation where there is evidence of damage and where it is possible to assess costs. This is in line with guidance issued by the

Housing Ombudsman⁵ it is the resident's responsibility to provide photographic evidence, and proof of ownership, of a damaged item prior to removal from the property, where the situation allows.

- 3.1.4 **Loss of earnings.** Any request for compensation payments will reflect the costs incurred due to a service failure, rather than directly for loss of earnings. Any costs must be quantifiable and supporting evidence provided by the resident.

4. Appeals Process

- 4.1 Compensation payments are linked to the Complaints & Compliments Policy⁶. Residents can challenge offers of compensation through the complaints process and ultimately via the relevant Ombudsman service, if they deem the offer to be unacceptable to them.

5. Ownership, Monitoring and Review

- 5.1 The Resident Experience Team owns the Compensation Procedure. This procedure will be reviewed at least every three years or in response to service demands, regulation changes or resident feedback.
- 5.2 This policy was reviewed by Resident members of the 'Your Voice' group in December 2023 and the Resident Voice was used to shape this policy to meet the needs of Residents.

⁵ See 'quantifiable financial payments' in the Housing Ombudsman Guidance Notes for Landlords [Compensation policy - Housing Ombudsman \(housing-ombudsman.org.uk\)](https://www.housingombudsman.org.uk)

⁶ [MCC Housing Services Complaints and Compliments Policy - Manchester City Council Housing](#)