

ANGUS COUNCIL

COMMUNITIES COMMITTEE – 26 NOVEMBER 2024

TENANT ALLOWANCE, COMPENSATION AND REDRESS POLICY

REPORT BY ALISON SMITH, DIRECTOR OF VIBRANT COMMUNITIES AND SUSTAINABLE GROWTH

1. ABSTRACT

- 1.1 This report seeks approval of the Tenant Allowance, Compensation and Redress Policy for the Housing Service. The policy aims to standardise the application of redress and compensation within the Housing Service, as well as enhance customer satisfaction and reduce the number of complaints.

2. ALIGNMENT TO THE COUNCIL PLAN AND COUNCIL POLICIES

2.1 Caring for our people

- Reduce inequalities in all our communities.
- Provide the best start in life for children.
- Create more opportunities for people to live well and achieve their personal goals.
- Improve physical, mental health and wellbeing.

2.2 Caring for our place

- Protect and enhance our natural and built environment.
- Enable inclusive, empowered, resilient and safe communities across Angus.

3. RECOMMENDATION

- 3.1 It is recommended that the Committee approves the Tenant Allowance, Compensation and Redress Policy (Appendix 1).

4. BACKGROUND

- 4.1 The Housing Service Improvement Plan 2024-2025 was approved by Communities Committee in June 2024 (Report 185/24). This plan outlines the key operational improvements the Housing Service aims to achieve throughout 2024/25. Several Service Delivery Groups were established to focus on and deliver specific areas of service improvement, one of which is the Customer Excellence Delivery Group.
- 4.2 The Customer Excellence Delivery Group has a clear set of objectives to accomplish within the 2024/25 period with the aim of improving customer satisfaction and reducing complaints. One of the critical tasks assigned to this group is the development of a Compensation (Redress) Policy. The aim of this policy is to ensure a consistent, fair, and transparent approach to applying compensation for customers, improving overall service quality and customer satisfaction.
- 4.3 The need for this policy became evident during a dedicated review of the complaints process. It was recognised that the approach to customer compensation and redress lacked consistency. As result, it was necessary to establish a policy to ensure that any compensation or redress provided to customers is handled in a uniform and fair manner.
- 4.4 Tenants and staff were consulted during the development of this policy. Although the response rate was limited, 92% of respondents expressed support for the policy.

5. CURRENT POSITION

- 5.1 Currently, there is no formal policy covering compensation, payment of tenant allowances and financial redress for our customers, leading to an inconsistent approach within the Housing Service. Compensation payments are handled on a case-by-case basis, without a standardised procedure. Additionally, there is no formal system for recording compensation and financial redress, which limits the ability to gather and analyse data on these payments.

6. PROPOSALS

- 6.1 The Tenant Allowance, Compensation and Redress Policy sets out the Housing Service's approach to managing redress, compensation, and tenant allowances. This policy applies to all Angus Council housing tenants, as well as homeowners (in cases of home loss payments) and provides clear guidance to housing staff on administering financial redress, compensation, and allowances. It covers tenant redress, allowances, home loss and home loss disturbance payments, compensation for improvements, and the right to repair.

- 6.2 The objectives of the Policy are to:

- Ensure a consistent and transparent approach to tenant redress.
- Offer a Housing Improvement Package (HIP) for properties in poor decorative condition at the time of allocation.
- Follow best practices by providing disturbance allowances to tenants for costs incurred due to disruption or damage caused by major internal works during planned maintenance.
- Ensure value for money and legislative compliance by compensating tenants for qualifying home improvements initiated by the tenant that meet our standards and conditions.
- Adhere to the statutory right to repair scheme.
- Fulfil statutory obligations for home loss payments to tenants and homeowners displaced by demolition or redevelopment.
- Operate in accordance with legal requirements, regulatory guidance, and industry best practices.

- 6.3 If approved by the Committee, the Tenant Allowance, Compensation and Redress Policy will be fully implemented by 31 January 2025 alongside a comprehensive set of operational processes and procedures designed to support staff in its effective execution.

7. FINANCIAL IMPLICATIONS

- 7.1 It is not possible to project the financial impact of the Tenant Allowance, Compensation and Redress Policy, however any financial implications that arise will be met by existing Housing Revenue Account resources.

8. RISK MANAGEMENT

- 8.1 Failing to implement a Tenant Allowance, Compensation and Redress Policy presents several risks, including:

- **Legal and Regulatory Non-Compliance:** Without a clear policy in place, the service may fail to comply with legal obligations and regulations related to tenant compensation and redress. This could result in penalties, fines, or intervention from the Scottish Housing Regulator.
- **Reputational Damage:** A lack of transparent procedures for addressing tenant issues can erode trust and damage the organisation's reputation. Tenants who feel their complaints or claims are not handled fairly may share negative feedback, harming public perception and tenant relations.
- **Increased Tenant Dissatisfaction:** Tenants may become frustrated if there is no formal mechanism to address grievances or provide compensation for service failures. This could lead to higher levels of dissatisfaction, complaints, and potentially tenant disengagement.

- **Operational Inefficiency:** Without a structured policy, staff may lack clear guidance on handling compensation and redress issues, leading to inconsistent practices and inefficiencies. This could result in delays, unresolved cases, and resource wastage as staff navigate uncertain procedures.
- **Financial Impact:** Failing to have a compensation policy may lead to ad hoc or inconsistent payments to tenants, which could result in financial losses. Uncontrolled compensation claims, without sufficient oversight, could also lead to budget overruns or unanticipated costs.
- **Increased Complaints and Disputes:** Without a formalised process for compensation and redress, tenants may escalate their complaints or seek external redress, such as through legal channels or the Scottish Public Services Ombudsman. This can lead to more disputes, potentially increasing the administrative burden and legal fees.

9. ENVIRONMENTAL IMPLICATIONS

9.1 There are no direct environmental implications arising from the recommendations of this report.

10. EQUALITY IMPACT ASSESSMENT, HUMAN RIGHTS AND FAIRER SCOTLAND DUTY

10.1 An Equality Impact Assessment has been carried out and is attached.

11. CHILDRENS RIGHTS AND WELLBEING IMPACT ASSESSMENT

11.1 A Childrens Rights and Wellbeing Impact Assessment has been carried out within the EIA.

12. CONSULTATION

12.1 In the preparation of the Tenant Allowance, Compensation and Redress Policy a consultation exercise was carried out with tenants and housing staff. A copy of the consultation report can be found on the [Angus Engage website](#).

Consultation has also been undertaken with the Director of Finance and the Director of Legal, Governance and Change.

NOTE: No background papers, as detailed by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to a material extent in preparing the above report.

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List of Appendices:

Appendix 1 – Tenant Allowance, Compensation and Redress Policy
Appendix 2 – Equality Impact Assessment