

Melton Borough Council

CORPORATE COMPENSATION POLICY

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1.0 Introduction

- 1.1 The compensation policy offers a procedure to determine whether a particular complaint warrants compensation and the level of compensation
- 1.2 This policy should be read in conjunction with the Corporate Complaint policy and the Local Ombudsman guidance to remedies.
- 1.3 The Local Government Act 2000 (Part V 92) gives clear powers to pay compensation where it is considered action taken by Councils (or on their behalf) amounts to, or may amount to, maladministration.
- 1.4 Payment of compensation can provide benefit to a customer adversely affected by maladministration on the part of Melton Borough Council arising directly from the Council's actions or failure to act.
- 1.5 Payment of compensation can also benefit all customers by empowering officers to resolve complaints at the earliest opportunity without the costly intervention of either the Local Government Ombudsman or the Courts.
- 1.6 The payment of compensation does not affect Melton Borough Council's liability when dealing with any claims of negligence.

2.0 Aim

- 2.1 The procedure seeks to ensure that where possible a remedy will be applied that puts the complainant back into the position that they would have been in but for the maladministration arising from the Council's actions or failure to act, especially when the complainant has sustained loss or suffering.

3.0 Objectives

- 3.1 To resolve complaints at the earliest opportunity.
- 3.2 To put the complainant into the position they would have been but for the maladministration of the Council.
- 3.3 To improve service delivery by maintaining records of compensation paid and using that to further reduce the risk of maladministration occurring in the future.
- 3.4 To maintain records of compensation paid so that regular reviews can be produced for internal monitoring for internal and public accountability. The records will be maintained and updated within the Legal department and include compensation paid following an investigation by the Local Government Ombudsman.

4.0 The Consideration of Compensation

4.1 The payment of compensation will be considered where the investigation of the complaint finds that:

- Action taken on behalf of the Council amounts to or may amount to maladministration
- A person has been or may have been adversely affected by that action.
- 'Adversely affected' can include financial loss, mental distress, physical injury, loss of chance or any other hardship agreed with the Corporate Complaints Officer.

5.0 The Calculation of Compensation

5.1 If it is agreed that compensation is due, any payments will be in line with the guidance issued by the Local Government Ombudsman and are subject to the Council's financial regulations.

5.2 Detailed advice on the calculation is available on the Local Government Ombudsman's Remedies: "Guidance on Good Practice".

6.0 Authorisation of the Payment of Compensation

6.1 The ability to authorise compensation payments will be strictly controlled and monitored.

6.2 Heads of Service will be able to authorise payments up to £250 with the permission of the Corporate Complaints Officer. The service area will finance compensation payments.

6.3 Payments of over £250 will require approval from one of Melton Borough Council's Corporate Management Team, Section 151 Officer and an agreement from the Legal department.

7.0 Monitoring the Payment of Compensation

7.1 The amount of each compensation payment will be recorded onto the corporate complaints database with the following information.

- The authorising officer and (if applicable) the date of CMT approval
- The reason for payment
- How much compensation has been paid

7.2 The Corporate Complaints Officer will ensure that the information is recorded onto the Complaints Database and will provide quarterly reports to Management Team.

8.0 Exceptions to the Corporate Compensation Policy

8.1 The compensation policy will only be applied to complaints handled through the corporate complaints policy. The compensation policy does not apply to:

- Matters subject to current legal action
- Any settlement of court proceedings
- Disputes about matters covered by the Council's insurance policies
- Any settlement of an insurance claim
- Any write offs

9.0 Offsetting Compensation Against an Outstanding Debt

9.1 Where appropriate, the compensation policy will be used to reduce or clear an outstanding debt in cases of maladministration or where rules and circumstances of this policy apply.

9.2 Compensation will not be used to offset a debt where the complainant has a legitimate dispute about the debt or where the compensation payment is for a specific purpose (such as replacing damaged possessions).

10.0 Alternative Forms of Compensation

10.1 Where appropriate the guidance will promote the use of non-monetary remedies, provide advice relevant to service areas and promote good practice in the speedy resolution of complaints.

11.0 Statement to be Included in all Correspondence

11.1 The following statement must be included in all correspondence that acknowledges a payment as compensation:

"The payment of compensation in this case should not be considered to an admission of legal liability on the part of the Council in the event that you may subsequently decide to take legal proceedings as a result of this complaint."

