

Corporate compensation policy

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The principle of the policy

The Local Government Act 2000 (Part V 92) gives clear powers to pay compensation where it is considered action taken by us (or on our behalf) amounts to, or may amount to, maladministration.

It is considered that the payment of compensation can provide benefit to:

- a customer adversely affected by maladministration that may arise from our actions or our failure to act; and
- all our customers by empowering officers to resolve complaints, at the earliest opportunity, without the costly intervention of the Ombudsman or the courts.

Where possible a remedy will be applied that puts the complainant back in the position that he or she would have been but for the maladministration arising from our action or lack of action. It is recognised that we need to consider the payment of compensation if the complainant has sustained loss or suffering.

The payment of compensation does not affect Portsmouth City Council's liability when dealing with any claims of negligence.

The consideration of compensation

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

- action taken on behalf of the authority amounts to or may amount to maladministration; and
- a person has been or may have been adversely affected by that action.

The calculation of compensation

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. Detailed advice on the calculation is available on the Local Government Ombudsman's Remedies: "Guidance on good practice".

Authorisation of the payment of compensation

The ability to authorise compensation payments will be strictly controlled and monitored. section heads and service managers will be able to authorise payments up to £250. The service area will finance compensation payments.

Monitoring the payment of compensation

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

- the authorising officer
- the reasons for payment
- how much compensation has been paid

Each service will ensure that the information is recorded onto the database and will provide a report on a quarterly basis to section heads.

Exceptions to the compensation policy

The compensation policy will only be applied to complaints handled by 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 our insurance policies
- any settlement of an insurance claim

Offsetting compensation against an outstanding debt

Where appropriate the compensation will be used to reduce or clear an outstanding debt. 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 replace damaged possessions).

Alternative forms of compensation

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.

Statement to be included in all correspondence

The following statement should 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.”