



CAERPHILLY HOMES TASK GROUP – 3RD JULY 2013

SUBJECT: RECHARGE PROCEDURE FOR COUNCIL TENANTS

REPORT BY: ACTING CHIEF EXECUTIVE

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to provide information regarding the Rechargeable Repairs Procedure for council tenants.

2. SUMMARY

- 2.1 This procedure aims to provide clarification on the application of rechargeable repairs across the Caerphilly County Borough housing stock when consideration is given to a tenant or former tenant being recharged.

3. LINKS TO STRATEGY

- 3.1 The contents of this report links to the following key strategic objectives:-

“To encourage the development and maintenance of high quality, well designed and efficient, sustainable homes and environments which can meet all needs.” (CCBC Community Strategy 2009 – 2012 -: Living Environment – Objective 1)

“To meet housing requirements through the provision of a range of good quality, affordable housing options.” (Aim 5: Affordable Housing – CCBC Local Housing Strategy 2008 - 2013)

“To provide good quality, well-managed homes in communities where people want to live, and offer people housing choices which meet their needs and aspirations.” (Aim 6: Housing Management - CCBC Local Housing Strategy 2008 - 2013)

4. THE REPORT

- 4.1 The overall aim of the Recharge Procedure is to contribute to the efficient and effective maintenance of the Council's housing stock and to ensure that expenditure is managed effectively. The principles which inform this aim are as follows:-

- (a) The role of the Council in the efficient and cost effective management of tenancies including emphasising both the rights and responsibilities of tenants. To cease raising rechargeable bills would be to deprive the council of rightful income and increase the costs of the service and rental levels for all of our tenants, the majority of whom have not been in breach of their conditions of tenancy.
- (b) The provision of homes at affordable rents. In return the council expects tenants to act responsibly and look after their homes.

- (c) The consideration of the needs of vulnerable tenants. Exceptional circumstances will be taken into consideration and criteria is used to assess exceptional circumstances.
- (d) The provision of an affordable repayment scheme. The aim is to agree sustainable and affordable repayment plans for rechargeable repairs.

4.2 The Tenancy Agreement, Section 21, state that the tenant is responsible for paying the council on demand any costs it incurs as a result of:

- wilful damage
- neglect or negligence by the tenant or any person residing in or visiting the property
- the removal of any unauthorised alterations or improvements to the property and any necessary reinstatement work
- the tenant having failed to carry out, within a reasonable time, repairs to the property which is their responsibility.

It is accepted that the vast majority of council tenants have not and/or unlikely to be recharged for any costs incurred for undertaking works/repairs in line with this procedure. However, such a procedure needs to be in place to deal with the above situations, where tenants fail to act responsibly and maintain their homes to a satisfactory standard and condition.

4.3 The specific objectives of the Recharge Procedure are:-

- To give guidance on the circumstances which will be recharged
- To give guidance on the circumstances where discretion will be exercised
- To outline the process of recharging for repairs
- To outline the basis for calculating the recharge
- To inform tenants of payment arrangements
- To inform tenants how to appeal or dispute the recharge
- To outline the process for recovery action
- To inform tenants of the option to undertake the necessary works themselves
- To monitor the performance of rechargeable repairs in order to seek continuous improvement

4.4 Tenants are recharged in the following circumstances:

- Rechargeable bills are raised when the repair has been identified as not being caused through fair wear and tear. Criminal and accidental damage is not regarded as fair wear and tear and therefore the cost of the repair is not normally a Landlord responsibility.
- Where the tenant has reported that the damage to the property has occurred as a result of either criminal or anti-social behaviour a 'Declaration of Truth' form is sent with the Recharge Declaration Form to the tenant. The form must be returned within 14 days and if appropriate sent to the Tenancy Enforcement Section to investigate. If the Declaration of Truth form is not returned or the incident is not reported to the Police a recharge will be made.
- Tenants vacating their homes at the end of their tenancy are recharged for works identified as a tenant's responsibility, which will include clearance of any rubbish, and personal belongings that have been left, including in the attic, garden, garage and out buildings.
- Tenants are recharged for misuse of the Out of Hours Emergency Service when it is clear that the repair could have waited until the following working day. Callers are advised of this on the emergency service recorded message and are then questioned by the Standby Operators who follow a standard script.
- Tenants who use the Out of Hours Emergency Service for a repair that is the tenant's responsibility are recharged for all costs incurred by the authority.

- If a tenant has undertaken unauthorised alterations or adaptations to the property, which are not to the Councils required standards and the tenant fails or refuses to undertake the remedial works, then the Council will undertake the works in default, and the tenant is recharged the full cost.
- The tenant is recharged for the cost of a failed appointment when prior arrangements have been made to carry out a repair and no access is available at the agreed time.

4.5 Tenants will be given general advice on their repair and maintenance responsibilities at the tenancy sign up stage, and where appropriate, throughout the life of the tenancy.

4.6 Tenants who contact the Councils Out of Hours Services to report a repair are informed that a repair may be their responsibility. The message that they receive is:

‘You are through to Caerphilly County Borough Council Emergency Out of Hours Service. If you are a Council Tenant wishing to report a repair which is not an emergency, please contact your Local Housing Office during normal working hours. If you call out the Council’s emergency service and the repair is not an emergency or is for work which is not considered to be a landlord responsibility, you may be recharged for all costs incurred by the Council. However if your call is an emergency please hold for the next available operator.’

Out of Hours staff have also been provided with a standard decision tree if the tenant chose to continue with reporting a repair. This is to ensure that a consistent approach is applied when dealing with specific repair problems. It is accepted that Out of Hours staff are not qualified to make decisions when questioning tenants for details and this decision tree allows them to follow a path to correctly determine what course of action is required.

Advice leaflets are available:

- In the tenancy pack that is handed to all new tenants (see appendix 1)
- On request to existing tenants

Information is also available to everyone on the Council website.

4.7 The current procedure document can be found on the Council’s intranet for staff and members. Regular monitoring is undertaken to ensure consistency. This is a working document which is subject to amendment as changes and improvements are identified.

4.8 In September 2011 a positive practice case study was written by Aimee Bradbury, Project Manager at Wolverhampton Homes called ‘Rechargeable repairs – enough hammer and tongs, it’s time to hit the nail on the head’. This achieved service recognition for repair recharges as a best practice example of value for money by the Audit Commission.

4.9 On comparison with our Recharge Procedure the majority of the recommendations had already been included. However there are other options to consider which are not currently part of this procedure which may improve recovery of the debts. i.e

- Requesting a 50% upfront payment for repairs that are the tenants responsibility where the tenant wishes to use the Council to complete the repair
- Offering a 50% discount for prompt payment of invoices if paid within seven days

5. EQUALITIES IMPLICATIONS

5.1 This is an information report, therefore there are no potential equality implications and no requirement to complete the Equalities Impact Questionnaire.

6. FINANCIAL IMPLICATIONS

- 6.1 The purpose of the recharge procedure is to reduce expenditure on the repairs service by recovering the costs of repairs, which are not incurred as a result of fair wear and tear and to encourage tenants to maintain the property to an acceptable standard. Responsible tenants should not be penalised by funding repair recharges through rental payments.
- 6.2 The Council offers a home contents insurance scheme to all tenants for a weekly charge starting from 84p for OAP tenants and £1.20 for all other tenants, which can be added to their rental payments. Subject to the provisions of the scheme, some incidents will be covered by this policy.
- 6.3 The council complete an average 33,000 repairs per annum at a cost of 9.2 million. Over the last 4 years the average percentage of repairs that have been recharged back to tenants is approx 2.86% (equating to approx 935 recharges per annum).
- 6.4 The council currently has a success rate of over 80% in relation to the number of appointed repairs. It is considered that the recharge procedure is partly responsible for this as other housing organizations have reported that other methods are not as effective i.e texting.
- 6.5 Under the present invoice procedure, the notional income is credited to the HRA immediately on production of the sundry debtor invoice. The Sundry Debtor team then takes over the debt recovery. However, there are circumstances when the debt is irrecoverable, and the charge is then written back to the HRA, in effect cancelling the original credit. To cover this charge, the HRA has a bad debt provision built in which is reviewed annually.

7. PERSONNEL IMPLICATIONS

- 7.1 Recharging tenants for repairs is not a new policy and there are no direct personnel implications as a result of this report.

8. CONSULTATIONS

- 8.1 The views of consultees are to follow.

9 RECOMMENDATIONS

- 9.1 That the contents of the report be noted and comments from Task Group Members are invited for consideration.

10. REASONS FOR THE RECOMMENDATIONS

- 10.1 The purpose of this report was a request for information.

11. STATUTORY POWER

- 11.1 Housing Act 1985.

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Graham North, Public Sector Housing Manger
Paul Smythe, Building Maintenance Manager
Area / Neighbourhood Housing Managers
Angela Hiscox, Service Development Officer

Background Papers:
Recharge Procedure (see intranet)

Appendices:
Appendix 1 – Tenants leaflet on Rechargeable Repairs