



POLICY AND RESOURCES SCRUTINY COMMITTEE – 3RD MARCH 2015

SUBJECT: RECHARGEABLE REPAIRS POLICY

REPORT BY: INTERIM CHIEF EXECUTIVE

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to provide information on the implementation of a Housing Services Rechargeable Repairs Policy for Council tenants, former Council tenants, owner-occupiers and Leaseholders.
- 1.2 This report will be submitted to Policy and Resources Scrutiny Committee for recommendations and thereafter submitted to Cabinet for consideration/approval.

2. SUMMARY

- 2.1 The report proposes to introduce a Rechargeable Repairs Policy to complement the Recharge Procedure which has been in place for many years and which provides guidance to staff when recharging for repairs.
- 2.2 The policy (copy attached Appendix 1) gives information on the circumstances when a recharge will be made, the cost and how a tenant can ask for a review if they disagree with the recharge being made.

3. LINKS TO STRATEGY

- 3.1 The Rechargeable Repairs Policy will assist the Council in meeting the aims and priorities detailed in the following strategies:
- 3.2 **National Housing Strategy:** The Welsh Assembly Government's National Housing Strategy 'Better Homes for People in Wales' (2001) has key themes of quality and choice. The WAG vision for housing "*wants everyone in Wales to have the opportunity to live in good quality, affordable housing*".
- 3.3 **The Single Integrated Plan 2013-2017:** has a priority to: "Improve standards of housing and communities giving appropriate access to services across the county borough".
- 3.4 **Local Housing Strategy:** Property Theme: "*Providing the opportunity for everyone to live in affordable, sustainable, good quality housing, regardless of tenure.*" And links specifically to Strategic Aim 6: Housing Management, "*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.*"

4. THE REPORT

- 4.1 The Council as Landlord has an obligation to keep its housing stock in a good state of repair and we will do this when repairs are reported, with no cost to the tenant, providing the repair is a Landlord responsibility and is required as a result of fair wear and tear. This normally means where the fixture or fitting has worn out or has come to the end of its natural life. Tenants have a responsibility to act responsibly and maintain their homes to a satisfactory standard and condition, but when a repair has been identified as not being caused through fair wear and tear, the council may recharge the cost to the tenant.
- 4.2 The Policy gives information on the following:-
- Objectives of the Policy
 - Policy Statement
 - Principles of the Policy
 - Rechargeable Repairs Definition
 - Rechargeable Repairs Criteria
 - Cost of Repairs
 - Monitoring
 - Review Process
 - Links to other Policies and Documents
- 4.3 The overall aim of the Rechargeable Repairs Policy is to contribute to the efficient and effective maintenance of the Council's housing stock.
- 4.4 The Rechargeable Repairs Policy refers to Section 21 of the Tenancy Agreement which states:-
21. You will pay the Council on demand any costs it incurs:
- 21.1 for repairs to the property or to common parts of flats as a result of wilful damage, neglect or negligence by you or any person residing in or visiting the property; or
- 21.2 for the removal of any unauthorised alterations or improvements to the property and any necessary reinstatement work or where any alterations, improvements or repairs have been carried out by you or on your behalf in an unworkmanlike manner or
- 21.3 as a result of you having failed to carry out within a reasonable time repairs to the property which are your responsibility
- 4.5 It is accepted that the vast majority of Council tenants have not or are unlikely to be recharged for undertaking repairs. However such a policy needs to be in place to deal with the situations where tenants fail to act responsibly and maintain their homes to a satisfactory standard and condition.
- 4.6 The policy will be accessible on the Housing website and is supported by detailed internal procedures and agreed practices to be applied uniformly across the housing service.
- 4.7 The Council operate an appointment system for the majority of response repairs and when a tenant fails to give access at the agreed time a recharge is made. This charge is associated with time taken for the call by the operative, cost of the vehicle etc and is a standard one off charge. In order to ensure fairness the policy has introduced an agreement that if the Council fail to attend an appointment at the agreed time compensation to the tenant based on the standard charge will be considered providing loss of income is evidenced.

- 4.8 Full consultation has been undertaken with the Repairs and Improvement Group and their views have been reflected in the policy. However poverty remains a major concern for this group which has been addressed in section 4.4 of the policy which states “to negotiate sustainable and affordable repayment plans with tenants/former tenants for rechargeable repairs”.
- 4.9 Consideration has been given to offering only current tenants a discount of 25% if payment is made within 28 days from the date of the invoice. The Repairs and Improvement Group proposed that this be increased to 50% where payment is made within 35 days from the date of the invoice.
- 4.10 The purpose of applying a discount was to reduce the costs that are applied to our tenants for rechargeable repairs and to also incentivise tenants to pay the charge within an acceptable timescale. Any discount applied however, would result in an under recovery of the costs involved in undertaking the works and it is not possible to predict if any discount would result in more tenants paying a recharge without the Council having to pursue the amount due via our sundry debtors, i.e. if only the same historical percentage of tenants continued to pay for recharges, this would result in reduced income to the Housing Revenue Account, as those payers would receive a 25% or 50% discount if current proposals were accepted.
- 4.11 A further suggestion from the Repairs and Improvements Group was to introduce a Reviews and Appeals Procedure/Panel (see Appendix 2). A draft Terms of Reference for the panel is attached as Appendix 3.

5. EQUALITIES IMPLICATIONS

- 5.1 The policy has been updated in terms of Equalities and Welsh language issues following consultation with the Senior Policy Officer (Equalities and Welsh Language).

6. FINANCIAL IMPLICATIONS

- 6.1 The purpose of the Recharge Policy 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. Rental income from responsible tenants should not be utilised for funding repair recharges which may be caused by wilful damage or neglect. Furthermore, this reduces the financial resource to provide an efficient repair service for all our tenants if costs for wilful damage or neglect from the minority of tenants are not recovered.
- 6.2 As consideration has been given to offer discounts for tenants who settle their invoice early, this in effect is a cost to the service, but this should be outweighed against the likely ongoing cost increase in bad debts and arrears if this option is not offered.
- 6.3 Recharges for 2013/14 in relation to repairs to tenanted properties amounted to £89k which relates to 2% of the total expenditure for response repairs. Recharges for void properties equated to £174k which relates to 6% of the total expenditure for void properties.
- 6.4 Rechargeable repairs are invoiced within the financial year of the costs incurred, and under our sundry debtor policy, this is credited to the HRA immediately. However, if the invoice is not paid by the tenant within the required timescale then it is likely to be written off, but this may not occur until the following financial year. Therefore it is not possible to establish how much of the amount invoiced is actually paid within a financial year. Reviewing the bad debt amount over the last three years, shows on average that at least 60% of all recharges are written off.

7. PERSONNEL IMPLICATIONS

- 7.1 There are no direct personnel implications. However, Housing staff will take direct action in the recovery process which will include home visits and providing money advice.

8. CONSULTATIONS

- 8.1 Consultation has taken place with relevant officers, Cabinet Member for Housing, the Repairs and Improvement Group, and relevant officers. All views and opinions have been included in the report.
- 8.2 Some members of the Repairs and Improvements Group raised concern over the impact this policy may have on those tenants who may be in poverty and whilst this is obviously a concern, it is considered that such tenants cannot be dealt with differently if they fail to act responsibly and maintain their homes to a satisfactory standard. This issue has therefore been covered under item 4.4 of the policy.
- 8.3 Additionally, comments were received in relation to those tenants who may suffer Domestic Violence/Abuse and this has been incorporated under Appendix 1 of the policy, where consideration may be given to waiving such charges in exceptional circumstances.

9. RECOMMENDATIONS

- 9.1 This report is to seek members' views on the introduction of a Rechargeable Repairs Policy, prior to the report being submitted to Cabinet for approval.
- 9.2 To seek members support for the establishment of a Reviews and Appeals Panel
- 9.3 To consider the introduction of a discount when current tenants make payment within 35 days from the date of the invoice for both rechargeable repairs and end of tenancy repairs, and make recommendations to Cabinet.
- 9.4 The introduction of a discount will be the subject of a review within 6-12 months to establish its success.

10. REASONS FOR THE RECOMMENDATIONS

- 10.1 To provide a Rechargeable Repairs Policy which contributes towards the efficient and effective maintenance of the Council's housing stock.

11 STATUTORY POWER

- 11.1 Housing Acts 1985, 1996 and 2004.

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Cllr Hefin David – Chair – Policy & Resources Scrutiny Committee
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Gail Williams - Interim Head of Legal Services/Monitoring Officer
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Mandy Betts - Tenancy and Community Involvement Manager
Repairs and Improvement Group Tenant Representatives
David A. Thomas - Senior Policy Officer (Equalities and Welsh Language)

Appendices:

- Appendix 1 Rechargeable Repairs Policy – September 2014
- Appendix 2 Review and Appeals Procedure/Panel
- Appendix 3 Terms of Reference for Reviews and Appeals Panel