

RECHARGEABLE REPAIRS

Report of the Director of Housing and Customer Service

1. SUMMARY

- 1.1 This report explains current procedures for raising rechargeable repairs and collecting the money owed from tenants. It proposes changes to these procedures, including taking on the responsibility for the collection of debts from the City Council. The report also explains current policy on rechargeable repairs and how this needs to change in the light of legislation and case law around the Disability Discrimination Act (DDA).

2. RECOMMENDATION

That the Board supports the Local Housing Boards' decision and recommends to the City Council the proposed changes within this report. .

3. MATTER FOR CONSIDERATION

- 3.1 The Local Housing Boards considered the following report in April 2010 and recommended to the Board the proposals laid out within the report and outlined in paragraph 1.1 above.

- 3.2 Rechargeable repairs fall broadly into 3 categories:

- Repairs that we have to do because of some act of neglect, damage or unauthorised alteration carried out by the current or former tenant
- Repairs which are the responsibility of the tenant, but the tenant either can't or won't do them themselves and it's in our interest to do the repair
- Where there are welfare grounds for doing a repair.

In these cases, we carry out the repair, but recharge the cost of it to the current or former tenant. In the case of criminal damage, the recharge is applied to the culprit, who may be a third party.

- 3.3 The Best Value Review of Support Services in 2004 included a review of how we manage rechargeable repairs. One of the key findings was that

"A centralised debt recovery team at Derby Homes could provide an opportunity to join up processes and share knowledge, understanding and techniques. This option would require investment in ICT Resources."

Derby Homes uses an IT system called Capita Housing to manage tenancies. At the time of the 2004 review, Capita Housing did not enable the management of working sub accounts in the way it can now. We now have the capability to run and manage a range of accounts in addition to the rent account. We can manage several former tenant accounts, accounts for outstanding Court costs, and other debts, including rechargeable repair accounts.

- 3.4 Derby Homes recently took on the responsibility for the management and recovery of Court costs from the City Council. This means that the recovery of all debts associated with rent arrears is in one place.
- 3.5 At the moment, the recovery of rechargeable repair accounts remains with the City Council. The process for raising and managing invoices is complicated. Derby Homes maintenance, local office or Enquiry Centre staff make a decision on whether to recharge. They raise the repair in Capita Housing. Having done that, they raise a paper form and pass that to our accounts team. Accounts then write to the tenant to tell them that they are going to get a bill and giving them an opportunity to contact the City Council to make a payment arrangement. Alternatively, the tenant can contact the local office to discuss or dispute the recharge. If there is no contact from the tenant, or if the local office says the recharge must stand, then an invoice is raised by our accounts team.
- 3.6 This invoice is raised on a system called Oracle Financials, which is Derby Homes and Derby City Council's joint IT system. The invoice is raised by our staff, but on the City Council's part of the system. Staff at the Council then pick up that invoice and start to try to recover the money according to their procedures and staffing resources.
- 3.7 There are four main problems with this.
- Tenants have debts in two places – firstly in Capita Housing managed by Derby Homes attached to their current or former tenancy, and secondly in a system managed by the Council's debt recovery team. Capita Housing allows us to manage and monitor all of the debts that a current or former tenant may have and see the total.
 - The process for raising and then chasing debts is complicated and cumbersome. It is also reliant on Local Offices raising forms for each rechargeable debt, something which can be missed so recharges are not always actioned.
 - The process relies on recharge costs based on committed rather than actual costs. This means that the initial cost of the repair orders is the basis of the recharge. However, orders are often re-defined and additional works identified when the job is actually carried out. This means that the actual invoice for the job may be significantly different to the invoice raised on Oracle Financials for the recharge.
 - The administrative costs and processes concerned mean that it is not cost effective to chase recharges for a value of less than £100.

- 3.8 We believe that Derby Homes can improve on the current recovery rate, and that managing all debts owed to a current or former tenant within Capita Housing will be much more efficient. It will also resolve the other four problems listed in 3.7 above.
- 3.9 Preliminary discussions have been held with staff at the City Council about transferring the management of these debts to Derby Homes. If the Board is happy with this proposal, then we can recommend this to the Council and work through the practical implementation.
- 3.10 The current policy on recharges needs to be amended in the light of the Disability Discrimination Act (DDA) and recent case law.

Derby Homes inherited and continues to work to the City Council's policy on this. The policy is that we recharge when:

- There is damage caused by a tenant or any member of the household through neglect, vandalism, or misuse.
- Criminal damage or vandalism has occurred from outside the household. In which case we try to recharge the culprit in conjunction with the Police.
- Where emergency access to the property has been requested and we have agreed to do this on a recharge basis.
- The damage is the tenant's responsibility under the Conditions of Tenancy.
- The tenant has carried out unauthorised alterations or has not carried out authorised alterations properly.

There are a number of exceptions to this, where although one or more of the above conditions apply, we still do not recharge the cost. These are:

- Where orders are placed for vandalism, a Police crime number has been received, and there is no culprit.
- The tenant is elderly or disabled.
- The cost of the repair is less than £100, not including the administration charge and value added tax.
- For recharges raised after a tenant has left and it cannot be proved that they are responsible for the vandalism, dumping or other problems.

- 3.11 The exception within the policy of not recharging the elderly or disabled needs to change. Legal advice has been sought, and Derby Homes needs to apply the principles of the DDA as clarified by recent case law. It is no longer acceptable to apply a blanket exception for the elderly and disabled. In any case, our policy and procedures give no clear guidance on what those terms mean. The advice we have been given is that we need to carry out a brief DDA assessment before applying any recharge. We already do this before taking other formal action under the terms of the tenancy conditions such as for rent arrears.

- 3.12 The purpose of the DDA assessment is to identify whether there were any issues of disability that affected the individual when they breached the tenancy conditions and could have affected their judgement. If, as a result of the DDA assessment, we think that there might have been a problem, then a Community Care Assessment (CCA) is requested from Social Services before any further action is taken.
- 3.13 This means that under the new policy and procedure, any tenant can be recharged the cost of repairs, irrespective of their age or disability, provided they have been assessed under the terms of the DDA as to their capability. The Board is asked to note this legal requirement on Derby Homes and recommend this change to the City Council.

4. CONSULTATION IMPLICATIONS

- 4.1 The Derby Association of Community Partners received a presentation on 29 March 2010 at the Open Meeting and fully support these proposals.
- 4.2 Further consultation with the City Council will be carried to discuss the process for implementation of these proposals.

5. FINANCIAL AND BUSINESS PLAN IMPLICATIONS

The efficient management, control and collection of rechargeable repairs accounts impacts on overall repairs expenditure, preventing waste and ensuring efficient use of resources.

6. LEGAL AND CONFIDENTIALITY IMPLICATIONS

This report recommends proposals that will ensure Derby Homes procedures on rechargeable repairs comply with the requirements of the Disability Discrimination Act 1995.

7. EQUALITIES IMPACT ASSESSMENT

Carrying out a DDA assessment on all rechargeable repairs will ensure that all cases are dealt with fairly.

The areas listed below have no implications directly arising from this report

- Personnel
- Environmental
- Health & Safety
- Risk
- Policy Review

If Board members or others would like to discuss this report ahead of the meeting please contact the author, or the Chief Executive, phil.davies@derbyhomes.org - Tel 01332 711010

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Background Information: None.

Supporting Information: None.