

**Meeting of the Executive Members for  
Housing and Adult Social Services and  
Advisory Panel**

15<sup>th</sup> January 2007

Report of the Director of Housing and Adult Social Services

**Rechargeable Repairs**

**Summary**

1. The Executive Member for Housing is asked to approve a new approach to the recovery of rechargeable repairs.

**Background**

2. Where a tenant, member of the household or visitor has been responsible for damage to the home the department will recharge the tenant for the damage to the property.
3. The current approach has not been reviewed since 1992. The introduction of iworld and the partnering arrangements with neighbourhood services have partly prompted this review. In addition the poor performance in terms of recovery and various customer complaints have demonstrated that the service requires an overall.
4. There is currently over £100,000 worth of outstanding debt relating to rechargeable repairs owed to the authority. Ascertaining the recovery rate has been difficult but from the information on the financial ledger £19K has been recovered over a 2 year period.
5. During the review of the service it was found that many of the processes were antiquated, and were compounding staff ability to provide an effective and efficient service. Equally these processes were directly responsible for a poor recovery rate. The current approach taken to recharging is based on charging the customer the actual cost of the repair, unfortunately because this cannot be determined at the point when the repair is ordered, staff are unable to advise the customer immediately. The actual cost does not become available until the contractor has closed the job, this can, in some instances, be up to 3 months after the work has been completed, only then is an invoice sent out to the customer. It is recognised that recovery rates of any debt are directly linked to the speed at which the recovery process is started.

6. The administration involved in processing a rechargeable repair is largely paper based and requires duplication of effort. A lack of clarity about what can and can't be recharged has led to unnecessary disputes with customers and ultimately cancellations of the recharges.
7. There are particular types of work that make up the majority of the recharges raised. The most commonly requested are:
  - Gain Access/Lock changes
  - Broken Windows
  - Removal of rubbish
8. There are a number of rechargeable repairs that arise during the process of reletting a home or as a result of police investigations, the process of recovery in these circumstances are more complex and are still under review.

## **Consultation**

9. The Federation of Resident Associations have been consulted on the proposals and support them.

## **Options**

### **10. Option 1**

Identify the most regularly ordered rechargeable repairs and put a fixed value on the charge based on historic cost data and officer experience. The charges would be increased annual in line with the building index. Raise the invoices using the iworld IT system. The recovery process will be done through the financial ledger by housing services. The list of repairs will be updated on a regular basis to ensure that it reflects the most common rechargeable repairs.

### **11. Option 2**

Retain the existing system of recovery

## **Analysis**

12. Option 1 - By putting fixed charges on the different types of work we will be able to inform customers of the total charge to them at the point when the work is ordered. Payment will be required at the time the request is made, reducing the need to generate the administration required in the recovery process. Where work is deemed necessary to ensure that the property remains wind and weather tight, or is of a health and safety nature, if payment is not made in advance, works will be ordered and recharged to the tenants. In circumstances of hardship at the very least staff will be able to agree a payment plan and send the invoice out within days of the work being ordered. A list of the proposed charges are contain in appendix 1.

13. Option 2 – Current levels of performance will not significantly increase, tenants will continue to be confused by the process and unhappy at not knowing what the likely cost to them will be.

## **Corporate Priorities**

14. Specific links can be made to the following:
  - Improving our organisational effectiveness
  - Improve efficiency and reduce waste to free-up more resources.

## **Implications**

- 15 Implications arising from this report are:
  - **Financial** - Approximately £50k of rechargeable repairs are carried out each year. Depending on the types of repair, option 1 could result in either an under or over recovery of costs. Should there be a surplus, this will be retained in the HRA and reinvested in the housing service. Any deficit would need to be funded from the general repairs budget. As this budget is currently overspending this represents a financial risk. However, analysis of previous years activity suggests that no significant balance is anticipated.
  - **Human Resources (HR)** - none
  - **Equalities** - none
  - **Legal** - none
  - **Crime and Disorder** - none
  - **Information Technology (IT)** - There are alterations required to the iworld system and there needs to be an interface between this system and the financial management system to allow this process to work.
  - **Property** - none
  - **Other** - none

## **Risk Management**

16. The risks in not implementing the proposed changes outlined in option 1 is that the council will continue to confuse customers and the recovery rate on charges raised will continue to be poor. The authority also risks criticism by the housing inspectorate at any future inspection of the service.

## Recommendations

17. That the Advisory Panel advise the Executive Member to approve Option 1 to identify the most regularly ordered rechargeable repairs and put a fixed value on the charge based on historic cost data and officer experience.

Reason - It will lead to an improved service to, and greater clarity for, customers, it will also result in greater efficiency for the council.

## Contact Details

### Author:

Tom Brittain  
Housing Operations Manager  
Tel : 551262  
Email tom.brittain@york.gov.uk

### Chief Officer Responsible for the report:

Steve Waddington  
Head of Housing Services

**Report Approved**  **Date** 22<sup>nd</sup> Dec 06

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**Specialist Implications Officer(s)** List information for all  
Implication Financial Implication ie Legal  
Name Jayne Pearce Name  
Title Accountant Title  
Tel No. (01904) 554175 Tel No.

**Wards Affected:** List wards or tick box to indicate all

**All**

**For further information please contact the author of the report**

### Background Papers:

None

### Annexes

Annex A - List of common rechargeable repairs and the proposed charges