

## **SLOUGH BOROUGH COUNCIL**

**REPORT TO:** Neighbourhood and Community Services Scrutiny Panel

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**WARD(S):** All

### **PART I** **FOR COMMENT AND CONSIDERATION**

#### **RECHARGEABLE REPAIRS POLICY**

1. **Purpose of Report**

- 1.1 To provide the Panel with an updated Policy statement on rechargeable repairs to take into account the launch of rechargeable repairs administration in the Capita housing system and integration of rechargeable repairs handling within the new RMI contract.

2. **Recommendation(s)/Proposed Action**

The Panel is requested to note the contents of the report and the updated Policy Statement.

3. **The Slough Joint Wellbeing Strategy, the JSNA and the Five Year Plan**

3.a **Slough Joint Wellbeing Strategy Priorities**

A key outcome of the JSNA is to provide well managed homes and estates that are integral to supporting the wellbeing of Slough residents.

It is vital that every tenant and leaseholder is aware of their rights and responsibilities under their occupancy agreements and understands what support and assistance is available should defects in the home occur.

The council is committed to a culture of accountability and responsibility for tenants to look after their homes, but also to provide where appropriate advice and support services to enable residents to maintain sustainable tenancies and safer homes.

3.b **Five Year Plan outcomes**

By developing support strategies with our stakeholders, service partners and other council departments, we will identify residents who have support and other needs to maintaining their homes and sustain successful tenancies.

We will work closely with our partners so that residents are able to maintain successful tenancies by providing appropriate support, alterations and adaptations and tailored services to meet their needs  
(Outcome 2 – work with our partners to improve the health and wellbeing of our residents).

Through regular property inspections, strengthened tenancy management and the new tenancy regimes, we will engender a culture of accountability and responsibility so that tenants take better care of their homes. This will have an overall benefit to the housing stock, whilst ensuring tenants live in safe, well maintained accommodation.

(Option 4 – Maintain our council housing to a high standard)

#### 4. **Other Implications**

##### a) Financial

The implementation of the rechargeable repairs process will allow the council to mitigate historic unnecessary expenditure on tenant-responsibility repairs. An active recharge process will enable the council to attempt to recover the cost of those repairs carried out by the council that are tenants' responsibility, with income credited back to the RMI budget. This will enable us to maximise our resources for the benefit of all tenants.

##### b) Risk Management

No risks arising from the proposed action.

##### c) Human Rights Act and Other Legal Implications

There are no Human Rights Act implications in the primary delivery of rechargeable repairs process.

There will be the need to consider the risk of Article 8 European Convention on Human Rights defences to possession proceedings initiated for breach of tenancy for the causing of damage and neglect or failure to repay rechargeable repairs as a tenancy debt. These will be considered on a case by case basis, taking into account the circumstances of the household and the cause of any repairs to ensure the appropriate support and interventions have been identified and provided.

There are no other legal implications as the appropriate clauses for recharging repairs are included within the council's existing tenancy and licence agreements, long leases and tenancy and leaseholder handbooks.

##### d) Equalities Impact Assessment

A revised equality impact assessment will be prepared to cover this policy to ensure no individual or group are adversely affected and are prevented from accessing the service because of any existing characteristics covered by the Equality Act 2010.

Provisions have been made through the exemption categories contained within the policy to recognise situations that are outside the direct control of a tenant and where support and intervention rather than the providing of a response is preferable to stepping away and taking a purely enforcement approach.

Any alterations to procedures will be adopted from the EIA.

## 5. Supporting Information

### **Rechargeable Repairs Policy and Procedure**

5.1 The council has an existing rechargeable repairs policy and procedure that was last reviewed in 2011. That policy and procedure was not actively pursued during the existence of the Interserve contract. There were a number of reasons for this:

- The contract was supervised by the Property Services team and there was a disconnect between Property Services and Neighbourhood Services in that the rechargeable repairs information provided by Interserve to contract management officers was not routinely provided to neighbourhood services, who would administer the end recharging process.
- In any event, the information provided by Interserve was of itself poor quality and did not provide for a robust and defensible recharge process to tenants.
- The Capita Housing system had not been configured and tested to allow for recharges to be administered through tenants' sub-accounts.
- It had become practice under the Interserve contract to routinely accept requests for tenant-responsibility repairs without challenge, even if it was evident that those repairs should have been rechargeable.

5.2 In 2015, proposals for reviewing the rechargeable repairs process, including development of the functionality within the Capita Housing system, were set out within Neighbourhood Services' work priorities.

5.3 Plans to revise and implement a new procedure were postponed so that they could be introduced more coherently with the planned re-procurement of the new RMI contract due to being preparation in 2016. A joint launch with the new contract would enable the bidding service providers to offer the potential of more innovative ways to approach rechargeable repairs, or that the eventual service could be integrated more intelligently into the new service leading to a revisions to the existing policy.

5.4 During the RMI contract procurement process and during competitive dialogue sessions and mobilisation discussions with the successful bidder, the implementing of rechargeable repairs process was a key objective for the service. It was clear that this would be a priority area following the launch of the new contract.

### **Key Features of the Rechargeable Repairs Process**

5.5 Primarily, the process covers the recovery of costs incurred by the council in repairing defects to dwellings during a tenancy or the reinstatement of a void property to the lettable standard, where the cause is as a result of damage, neglect, act or omission of the tenant or visitor in looking after the home.

5.6 The council reinforces tenant and landlord repairing responsibility through a number of publications and leaflets, including the tenancy, licence and lease agreements and the tenancy and leaseholder handbooks. There is also a supporting council tenant and leaseholder repairing responsibility matrix available on the corporate website.

- 5.7 The council's policy rests on whether the repair being reported is one that belongs to the council responsibility or belongs to the tenant. The council's landlord repairing obligations (for tenants) stem from two key pieces of legislation: Section 11 of the Landlord and Tenant Act 1985 and the Secure Tenants of Local Housing Authorities (Right to Repair) Regulations 1994.
- 5.8 Section 11 repairs form the backbone of all landlord repairing obligations and require that the landlord keeps the following free from defect:
- The structure and exterior of the dwelling-house (including drains, gutters and external pipes);
  - The installations in the dwelling-house for the supply of water, gas and electricity and for sanitation (including basins, sinks, baths and sanitary conveniences, but not other fixtures, fittings and appliances for making use of the supply of water, gas or electricity); and
  - The installations in the dwelling-house for space heating and heating water.
- 5.9 There are other repairing obligations that are provided for as expressed terms and conditions within our tenancy and licence agreements, which give additional contractual responsibilities to either the council or the tenant, but Section 11 are implied repairs and cannot be passed on to the tenant.
- 5.10 Our lease agreements for leaseholders through the Right to Buy scheme, generally pass over all internal repair responsibility to the leaseholder tenant, with the council retaining responsibility for the structure of the building, which normally includes windows and doors, and all common parts and communal installations.
- 5.11 Within the legislative and contractual framework for our dwellings, we would routinely accept responsibility without challenge items that have obviously reached the end of their serviceable life or have broken through no fault of the tenant or their visitors. If this is a landlord responsibility repair, it will be replaced with no consideration to recharge.
- 5.12 Recharging for landlord repairs will apply when an installation or fixture or fitting has broken as a result of misuse, damage or neglect. Often, these installations are not near the end of their serviceable life and a deliberate, or accidental act has led to the defect.
- 5.13 The published landlord and tenants' repair responsibility matrix clearly advises what types of repairs belong to each party.

#### **Responding to a Rechargeable Repair Request – Responsive Repairs**

- 5.14 Upon finding a defect in their home, the tenant will contact the Osborne contact centre to request that the item is fixed. Repairs can be reported 24 hours a day, 7 days a week and 365 days a year through the normal Slough-based contact centre or out of hours through Osborne's out of hours call handling sites.
- 5.15 Contact centre staff are trained to identify the accurate location/type of repair and how the defect occurred. Through Osborne's CRM/Keyfax systems, a software package that helps to locate and identify defects and allocates the correct schedule of rates repair code, it is clarified whether the repair landlord or tenant responsibility.

- 5.16 Any item that is a landlord responsibility automatically has its repair priority category assigned to it. At this first point of contact, if there is evidence to suggest that a landlord repair was not caused by fair wear or tear, or the item is a tenant responsibility, the tenant will be offered the following options:
- i. That the repair is their responsibility to complete and they are free to source and independent contractor to undertake the repair to a satisfactory standard. The council will record the contact/request for a repair as an enquiry and that after approximately 6 weeks (this will be shortened for urgent or safety repairs elected to be done by the tenant), a housing officer will make contact to check the repair is completed and to a satisfactory standard.
  - ii. That the contact centre will identify whether the tenant or repairs circumstances fall into one of the existing exemption categories, which would enable the council to offer to carry out the repair without recharge.
  - iii. That the tenant can elect for the council to undertake the repair and accept that the cost will be recharged to them upon completion. A basket of costs for the most typical rechargeable repairs has been developed and the tenant will be given a price for the repair that will be honoured subject to the actual repair meeting the original report description.
  - iv. The council will agree to undertake the repair, because it represents either a health & safety risk to the tenant or a member of their household, leaves the property in an insecure state, or to leave the repair risks further uncontrolled damage if left unattended. The cost of the repair would be recharged as with point iii) above.
- 5.17 During the attendance to complete any repair, the operative will take a before and after photo of the relevant parts to collect any evidence used in a subsequent decision whether or not to recharge.

### **Completion of the Repair and Recharging**

- 5.18 At the end of each reporting month, Osborne will provide two sets of data:

- i. An Enquiries report will list all contacts where the resident has attempted to report a repair and has elected to source their own contractor or resources to complete the repair themselves.

This report will be shared with the neighbourhood teams, who will arrange to make contact with the tenant to ensure the work has been completed and to the required standard.

Any repairs not completed or completed but not to a satisfactory standard will then be picked up by the council and carried out and recharged. Consideration will be given to whether any tenancy enforcement action should be taken in light of the failure to carry out the repair.

- ii. A Recharges report will show all repairs that have been logged and completed where the tenant has been made aware of the intention to recharge. This report could include items that had previously been

included on the Enquiries report, which have then subsequently been picked up by the council.

- 5.19 Upon completion of repair, the tenant will be sent a notification letter confirming that the reported repair is to be recharged. This will either be accompanied, or followed by an 'invoice' letter that includes the breakdown of the recharge being applied.

This invoice will contain:

- The job number and description of the repair being recharged
  - The date of completion of the repair
  - The breakdown of the cost of the repair and the total amount to be repaid
  - Ways to pay
  - Consequences and recovery action if the debt is unpaid.
- 5.20 The cost for the repair is calculated by using the RMI contract rate for the schedule of rate/repair code relevant to the work reported. 15% is added to that figure to cover the council's administration and processing costs and VAT is added at the prevailing rate. HMRC rules dictate that as the service being provided is over and above that contractually required by the landlord as part of the tenancy agreement, the carrying out of tenant responsibility repairs is considered a business activity.
- 5.21 This amount should be that already quoted to the tenant from the basket of recharge rates when they reported the repair. This will only be altered if the repair or extent of repair required differed significantly from that originally reported.
- 5.22 Following the issue of the 'invoice' letter, an instruction is raised to arvato's Rent Accounting function to debit the charge to the tenant's R2 – rechargeable repairs sub-account. This is linked to the main rent account and it is possible to differentiate balances between normal rent arrears and any sub-account balances. Recovery action could therefore be taken on either one or both of the balances as appropriate.
- 5.23 Tenants will be issued with an account reference number to make payments through existing payment options. The only method that will not be available is direct debit, as this option is only available on main rent accounts.
- 5.24 Depending on the cost and financial capabilities of the tenant to repay the debt, there is the possibility to enter into repayment arrangements for larger amounts over a period of time.

#### **Administering Recharges for Void Properties**

- 5.25 The process for recharging for void properties differs slightly in that a basket of rates for void repairs has not been created. Wherever possible, items that exist in the responsive repairs basket of costs will be used if they appear in a void property, but any other repairs will be charged at full eventual cost once the void has been completed.
- 5.26 The other main difference is that once a tenancy has ended, there is no ability to enforce collection through breach of tenancy conditions and the threat of possession proceedings. In these circumstances, any outstanding balance

sitting on a former tenant's main or sub accounts will be administered by the arvato Former Tenancy Arrears Officer. Failure to pay former tenancy debt(s) can and will lead to recovery action through the Money Claim online procedure, potentially leading to a County Court Judgement and enforcement action if the debt remains unpaid.

- 5.27 Whilst it is possible to introduce terms and conditions into the terms and conditions of the new tenancy agreement to repay rechargeable repairs debt from a previous tenancy, it is a condition of the council's transfer process that an offer of a transfer is not made if the tenant has not looked after their current home to prevent them moving in the first place. This approach, however, is subject to discretion and based on the circumstances of the transfer request.
- 5.28 When a tenant notifies the council of their intention to end their tenancy, the council will arrangement appointment within 7 days of receipt of the notice to carry out a pre-void inspection. The letter of appointment includes an information pack giving advice on the process of leaving a council property and sets out the expectations of the council and actions to be taken by the tenant before they leave.
- 5.29 The pre-void is jointly performed by a council and Osborne voids surveyor. During the pre-termination visit, the tenant is advised of any repairs that should be completed by them before they vacate the property.
- 5.30 Following completion of the pre-void inspection, the outgoing tenant will be sent a confirmatory letter confirming the items identified during the pre-termination visit. The letter advises that if the repairs are not completed or not completed satisfactorily, the council will undertaken them once the keys have been returned and the tenant will be recharged.
- 5.31 Upon return of keys to the vacated property, the void surveyors re-visit the property and carry out a second inspection. This inspection checks whether the identified works were completed and whether there are any additional repairs to be undertaken now that the property is empty. Void works are initiated and completed within the normal voids process.
- 5.32 At completion of void works, the schedule of works for any property with tenant responsibility repairs is passed to the Clienting team for raising a recharge notification. This is raised in a similar manner to the standard recharge 'invoice' and issued to the tenant at their given forwarding address. Photographic evidence of the condition of the property and covering all identified rechargeable repairs is kept in the case of query or challenge by the former tenant.

#### **Use of Repair Data When Reviewing Introductory or Flexible Tenancies**

- 5.33 Following the introduction of the Introductory and Flexible Tenancy regimes, the council has a clearer ability to take tenancy conduct into account when deciding whether an introductory tenancy should convert its planned lifetime, 2 or 5 year flexible tenancy, or whether a flexible tenancy reaching the end of its terms should be renewed.
- 5.34 The council will now be able to consider whether the tenant has taken care of their home in determining whether or not a tenancy should be extended or renewed. Rechargeable repairs data information will be readily available in the Capita Housing system to enable officers to take a wider look at tenancy

conduct, other than simply rent arrears and standard tenancy enforcement matters. A more holistic view of a tenancy can be taken when making recommendations to renew or terminate tenancies under the new tenancy regimes.

### **Progress Towards Launch**

- 5.35 Work has been undertaken since early 2016 to configure and test changes to the Capita Housing system, Academy/Icon online and telephone payment systems to enable rechargeable repairs to be administered through our existing accounting and payment processes.
- 5.36 The existing policy and procedure framework, has been updated to reflect minor changes to the front end/customer interface and interaction. The introduction of a new Clienting Recharges Officer for carrying out administration of key parts of the recharge process and re-allocation of responsibilities following team restructures have been adopted into the existing documents.
- 5.37 A presentation was given to the Residents' Board in January 2018 on the new processes and tenants and leaseholders were notified in the February 2018 issue of Streets Ahead that the process for rechargeable repairs would be introduced from 2<sup>nd</sup> April 2018.
- 5.38 Staff training sessions, including colleagues from Leasehold Services and MyCouncil, were delivered to support the implementation. Osborne contact centre staff have received ongoing support and coaching in responding to requests from tenants and for reinforcing the council's intentions/parameters for recharging in line with the policy.

### **6. Comments of Other Committees**

This report is not required by other committees.

### **7. Conclusion**

- 7.1 The introduction of the rechargeable repairs process will greatly assist the council in managing the condition of the HRA housing stock and will help hold tenants to account if they are not looking after their homes.
- 7.2 There is sufficient flexibility and protection for residents who have experience genuine difficulties in managing their homes, and this policy and procedure provides for signposting to support services to intervene and help identify further help and support or other solutions to enable to the tenant to maintain a successful tenancy.
- 7.3 There is a clear benefit to gatekeeping access to the repairs service and in carrying out on those repairs the council is responsible for free of charge. The cost of undertaking repairs that are not the council's responsibility or were caused by damage and neglect, will no longer in the main be picked up by the RMI contract and place a drain on resources and the ability to meet and carry out genuine repairs and improvements across the housing stock.

8. **Appendices**

- 'A' - Rechargeable repairs policy
- 'B' - Landlord, tenant, leaseholder repair responsibility matrix
- 'C' - Responsive repair recharge process internal flowchart
- 'D' - Void repair recharge process internal flowchart

9. **Background Papers**

None.