



Cobalt
■■■ Housing

**RECHARGES
POLICY**

Lead Director	Director of Operations
Reference	POL 58
EMT Review	Feb 21

1 Introduction & Aim

Rechargeable repairs are defined as those repairs that are caused by damage to any fixtures and fittings, internally & externally by a tenant, member of the tenant's household or any visitor to the tenant's property that cannot be attributed to fair wear and tear throughout the duration of their tenancy. This could include unapproved or poorly undertaken improvement works.

This damage has a negative financial impact on the organisation and pursuing the costs of putting it right is important from a financial point of view but also from the message it sends to those who do not look after their homes.

The rechargeable repairs policy applies to both current and former tenants.

2 Policy Statement

Through this policy Cobalt wishes to establish a framework for how and when we will carry out rechargeable repairs and also recoup debt to the organisation, providing guidance for our procedures and for the teams involved.

To do this we will define key principles that are at the heart of our approach.

We will also have due regard to vulnerability and other potential causes of damage or neglect, including where management discretion is appropriate

3 Policy Principles

The following principles apply to our work in this thematic area and were discussed with our tenant consultative panel in January 2020;

- 3.1 We will seek to recover the cost of repairs caused deliberately or accidentally by tenants (current or former) or their visitors to our properties. For clarity this will include;
- **Wilful damage** - e.g. replacing a smashed door, graffiti
 - **Accidental damage** - e.g. dropped item cracking toilet bowl
 - **Neglect** - e.g. clearing a blocked drain if used inappropriately
 - **Costs incurred** - as a result of unreasonable behaviour such as refusing pre-arranged access
 - **Legal Fees** – if required to gain access for compliance or safety related work, or to manage repeat breaches of tenancy relating to property condition
 - **Damage caused by fire or flood** e.g. when a pan has been left on or overflowing bath
 - **Unauthorised or poor standard alterations** e.g. where work has been carried out by or on behalf of a tenant that requires Cobalt to bring it up to an acceptable standard when you vacate the property or when we become aware of it. Where work was not authorised but does not require work to rectify there will be no recharge.
- 3.2 Cobalt will use a full range of legal and non-legal approaches to recover recharges from those responsible for damaging our property. We will also recover court costs where it is necessary to attend court. Methods to be considered will be set out in the procedure.

- 3.3 Cobalt will allow tenants the opportunity to put right the identified issues themselves through a reputable contractor or to our defined standards. Where the situation poses a clear risk to the occupant or visitors, we will require an immediate and satisfactory response or we will progress works ourselves and recharge. These works will be inspected.
- 3.4 When requested to carry out repairs, Cobalt will not progress non-statutory repairs unless payment is agreed to or received in advance. Statutory repairs will be completed and charged afterwards. We may carry out non-statutory works where the impact of not doing so on the wider community or sustainability of our stock is negative. Any repairs carried out by a contractor appointed by Cobalt will be charged in line with the organisations most current repairs and maintenance contract.
- 3.5 At the point of offer, Cobalt will not generally allow transfers to other properties within our stock and will refer to recharges in any reference request from other landlords. We may also withdraw some other non-urgent services to those who owe rechargeable repairs.
- 3.6 Cobalt will **consider** the write off of debt as unrecoverable in these scenarios;
- Unable to trace former tenant
 - Debt less than £100 and uneconomic to pursue
 - Death of tenant
 - Tenant moves into residential care
 - Where tenant has paid initial 50%, within 28 days, or as part of an agreed repayment plan, we will consider the write off the other 50%
- 3.7 Where appropriate, Cobalt will supply photographic evidence and have a set list of costs for rechargeable works which it will issue when a rechargeable repair is identified. All recharges and payments will be recorded on to our Housing Management system. Please note that the recording and pursuit of rechargeable repairs will also apply to former tenants, particularly when costs are associated with a vacated property.
- 3.8 Cobalt are a fair and responsible landlord. We understand that damage to our property could be an indicator for a variety of wider issues. For this reason, we will review cases effectively and individually. Senior officers are empowered to make documented decisions outside of this policy where there are concerns linked to;
- Age
 - Health
 - Disability
 - Vulnerability – temporary or permanent
 - Vandalism or criminal damage
 - Severe financial hardship
- This list is not exhaustive. Within our procedures we will link to our safeguarding, ASB and financial wellbeing approaches to ensure where wider issues are discovered we respond in the correct way to protect our tenants and our property. In these circumstances we will expect our tenant to work with us to resolve the issues causing the damage or recharge.
- 3.9 Where the tenant or former tenant has multiple debts with the organisation rent arrears will take priority over other sundry debts, including rechargeable repair costs. Please refer to the Corporate Debt Policy for the priority order of debts.

- 3.10 Where there are multiple incidents of damage to the property, which remain unresolved, Cobalt will consider taking action under the terms of the tenancy. This could involve possession proceedings in extreme cases.
- 3.11 Tenants can appeal the decision to recharge repairs to them. Such appeals will be investigated by the relevant Neighbourhood or Property Manager and an answer provided within 28 days. Where an appeal is lodged and is unsuccessful, Cobalt will still allow 28 days from the date the appeal decision is made in relation to the discounted rate. This review will consider compliance with process, evidence and any vulnerability related information.
- 3.12 Where rent refunds or other credits are due to a tenant who also owes the organisation in recharges we will contact the tenant advising of our intention to offset some or all of this credit against what is owed. We will give the tenant two weeks to contact us for a review of that decision. Following a lack of contact or unsuccessful review we will then transfer all or part of the credit to cover the recharge.
- 3.13 Our approach to rechargeable repairs will be tested for value for money every 6 months. We will compare the cost of collection against the income raised and review our approach where cost outweighs benefit.

4 Risk Management

The key risk associated with non-delivery of this Policy is:

Risk Register Ref:	Risk:
ST 09 Financial Viability	Non-robust processes lead to financial loss to the organisation
Risk Consequences:	Management and Mitigation:
Loss of income Poor reputation Damage to property unresolved	New policy New procedure Reports showing cases and collection rates

Key Risk Indicators and Control Limits

Cobalt recognise the importance of effective performance management in key policy areas and will develop monitoring systems and tools to ensure that staff deliver and adhere to this policy and any agreed procedures. To do this Cobalt will:

- Produce weekly monitoring information to support Officers to manage individual rechargeable accounts.
- Regular auditing of individual accounts in relation to adherence to agreed recovery procedures.
- Develop, monitor and publish a suite of clear service standards which will be reported upon periodically.
- Regular periodic reporting of performance against agreed performance targets to Cobalt's senior management and Board.
- Production of quarterly 'write-off' reports to be considered by Cobalt's Board.

This will allow us to consider the key risk indicators (excessive rechargeable damage and low collection rates).

5 Regulatory & Legislative Compliance

This area of housing law is covered in the following statute;

Landlord & Tenant Act, 1985

Housing Act, 1985

Housing Act, 1988

There is also regulatory Guidance as provided from time to time by the current regulator

Non-collection or management of this debt portfolio, whilst relatively small numbers, could reflect poorly on our overall financial controls and our viability.

The manner in which we pursue debt owed to the organisation is governed by financial standards but also by our ethical approach as a responsible organisation.

6 Links to Other Key Documents

Range of Tenancy Agreements

Repairs Policy

Cobalt's Response Repairs Policy

Cobalt's Corporate Debt Policy

Cobalt's Allocations Policy

Cobalt's Mutual Exchanges Policy

7 Governance of this Policy

Equality and Diversity	EQIA delivered and amendments made to the policy
Financial and Links to VfM	An effective rechargeable repairs system controls financial loss to the organisation.
Privacy and Data Protection	This policy has not required the gathering and use of personal or sensitive data.
Health and Safety	We would ensure that our approach to delivering rechargeable repairs is compliant and safe. We will not refuse to carry out works to threaten the safety or security of our tenants.
Development and Consultation	This policy is based very much on our traditional principles which were reality checked with a tenant panel in January 2020. The panel were very much in favour of recharging the cost of damage to the tenant and also agreed the discounted rate of 50% if paid within 28 days, which we have reserved the right to do. The main discussion points at this session centred around those groups or individuals where we would waive the cost of the repair. The policy reflects this in allowing management discretion and as requested by the Consultative Panel we will be doing a wider consultation on how this policy is delivered in the next newsletter (and through digital engagement) following EMT approval. It was important to review the policy at this point to inform procedural development, but this procedural development will focus strongly on vulnerability.

Customer Profiles and Accessing Services Data	N/A
Monitoring and Review	There will be bi-annual reviews in line with this policy which will reflect on the success of this approach and the cost of delivering the service against the cash received. This will be reported to EMT and Board from September 2021 (this being 6 months after the proposed implementation date). This report will also include number of recharges raised in the period and suggested write off amounts.
Roles & Responsibility	Head of Neighbourhoods and Head of Assets – Overall design and implementation of the policy. Solutions Manager, Business Hub Team Leader and Repairs Manager – Overseeing the procedural delivery of the principles.

8 Definitions

All terms are defined in the paper.