



DERBY CITY COUNCIL

**HOUSING AND ADVICE SERVICES
CABINET MEMBER MEETING
30 March 2011**

Report of the Strategic Director of Adults,
Health and Housing

ITEM 6

RECHARGEABLE REPAIRS

SUMMARY

- 1.1 This report outlines the current policy for raising rechargeable repairs and collecting monies owed from council tenants for any damage they are deemed responsible and liable for.
- 1.2 The existing rechargeable repairs policy includes a blanket ban excluding recharging elderly or disabled tenants. However, the policy is not clear in its definition of elderly or disabled.
- 1.3 The report also explains what the legal requirements are for the council with regard to rechargeable repairs in line with current legislation and the Equality Act 2010 which replaced anti-discrimination laws in October 2010.
- 1.4 The Equality Duty requires public bodies to think about how they can eliminate discrimination, advance equality of opportunity and foster good relations for all protected groups.
- 1.5 It is proposed that prior to any tenant being recharged for a repair that Derby Homes will carry out a Disability Discrimination Act (DDA) assessment.
- 1.6 Currently the Council are responsible for the collection of debts, but this report outlines the business case for transferring this process to Derby Homes to enable a seamless, transparent and more effective service.

RECOMMENDATION

- 2.1 To update and reverse the policy of not charging elderly or disabled tenants unless they are identified under the DDA assessment as being exempt.
- 2.2 To transfer the rechargeable repairs function from the Council to Derby Homes.

REASONS FOR RECOMMENDATION

- 3.1 To ensure that the Council provide a consistent, transparent and fair service to all tenants whilst maximising income generation and ensuring value for money.

- 3.2 Derby Homes have a fully integrated IT system which has the capability to run and manage a range of accounts in addition to the rent account. By keeping the accounts together it should reduce error, duplication and ensure greater efficiencies.

SUPPORTING INFORMATION

- 4.1 The current policy on rechargeable repairs has not been updated since Derby Homes were created in 2002.

- 4.2 Rechargeable repairs fall broadly into three categories:

- Repairs that are the responsibility of the tenant, but the tenant either can't or won't do them themselves and it is deemed in the best interests of DH to do the repair (example: Health & Safety issues).
- Repairs that have to be done because of some act of neglect, damage or unauthorised alteration carried out by the current or former tenant.
- Where there are welfare grounds for doing a repair.

In the examples above Derby Homes currently carry out the repair, but recharge the cost back to the current or former tenant. In the case of criminal damage, the recharge is applied to the guilty party, if known.

- 4.3 The Best Value Review of Support Services in 2004 included a review of how rechargeable repairs were being managed. 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. However it was noted that this option would require investment in ICT resources.
- 4.4 Derby Homes IT system (Capita Housing) now has the capability to run and manage a range of accounts in addition to the rent account.
- 4.5 Currently the recovery of rechargeable repair accounts is the responsibility of the Council, but the initial decision to recharge is initiated via Derby Homes' maintenance section, Enquiry Centre or Local Housing staff.
- 4.6 The current process for raising a rechargeable repair notice is that the repair is raised via Capita Housing and the DH accounts team are then sent this information manually via a paper form. A letter is then generated from DH accounts team and issued to the tenant advising them that they will receive a bill and requesting that they contact the Council to make a payment arrangement. Alternatively, the tenant is also advised that they 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 and issued by DH accounts team.
- 4.7 The invoice is raised via Oracle by DH staff, but is recorded and logged on the Council's part of the system. Staff at the Council then pick up that invoice and the process to recover the money commences according to procedures.

4.8 There are four main issues with this process:

- 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.
- The process for raising and then chasing debts is complicated. It is also reliant on staff 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 for the recharge.
- The administrative costs and processes mean that it is not cost effective to chase recharges for a value of less than £100.

4.9 If the debts were transferred to DH it would allow greater transparency as all the information would be available to all staff via Capita Housing. The process should become more efficient as staff would be using an electronic system – less likelihood of human error and therefore greater accuracy and higher recovery costs. It should also help to develop greater ownership of the process as it will be solely managed by one party. Ultimately it could help incentivise staff to chase all recharges and ensure that all processes maximise income and are customer focussed.

4.10 As stated in 4.1 the current policy regarding rechargeable repairs has been in place prior to 2002. However it needs updating to reflect changes in the law especially in respect to the Disability Discrimination Act (DDA) 2005 and the Equality Act 2010.

4.11 The Equality Act 2010 brings together nine separate pieces of legislation into one single Act, simplifying the law and strengthening it in ways to tackle discrimination and inequality. However, it states that as a matter of good practice and good business you should treat everyone accessing your goods, facilities or services fairly, regardless of their age, gender, race, sexual orientation, disability, gender reassignment, religion or belief and guard against making assumptions about the characteristics of individuals.

4.12 Another important part of the Act is the public sector Equality Duty, which has a key role in ensuring that fairness is at the heart of public bodies' work and that public services meet the needs of different groups. The Equality Duty requires public bodies to think about how they can eliminate discrimination, advance equality of opportunity and foster good relations for all protected groups.

4.13 The public sector should lead the way in this area. Very often the most vulnerable people, who are the most dependent on public services, are those from the protected groups whose needs will not be met by a one-size-fits-all approach. Therefore any changes to the current policy regarding elderly or disabled tenants will need to be extremely mindful of the protected rights of the individuals and ensure that they are treated fairly.

4.14 The current policy states that tenants will be recharged 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 perpetrator 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 known perpetrator.
- 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.

4.15 It is proposed to remove the blanket exception for elderly and disabled tenants not to be charged and to carry out an individual DDA assessment before applying any recharge. This will ensure that the Council and DH are fully compliant with DDA and the Equality Act 2010. This procedure is already in place before taking other formal action under the terms of the tenancy conditions such as for rent arrears or anti social behaviour.

4.16 The DDA assessment will identify whether there are 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 there are concerns a Community Care Assessment (CCA) will be requested from Social Services before any further action is taken. This should ensure that no tenant is recharged if it is not appropriate and is extremely successful at ensuring that no tenant is disadvantaged or treated unfairly.

4.17 This change in the policy and procedure will mean that 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.

- 4.18 It will also ensure that the Council and Derby Homes will be compliant with what has been identified as good practice and will mean that we are not making assumptions about the characteristics of individuals as the service will be tailored to individual's needs.

OTHER OPTIONS CONSIDERED

- 5.1 To keep the current policy of not charging elderly or disabled tenants, the continuing validity of which is potentially challengeable in the light of legislative changes highlighted within this report. Retention also does not promote a value for money culture.

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List of appendices: Appendix 1 – Implications

Appendix 1

IMPLICATIONS

Financial

- 1.1 The efficient management and control of rechargeable repairs should increase revenue and help alleviate the overall repairs expenditure.
- 1.2 There are no additional costs involved for the Council if DH administers the process of rechargeable repairs.

Legal

- 2.1 Revising the policy serves to demonstrate that both the Council and Derby Homes have taken steps to secure compliance with the Disability Discrimination Act 2005 and the Equality Act 2010.

Personnel

- 3.1 None

Equalities Impact

- 4.1 Carrying out a DDA assessment on all rechargeable repairs will ensure that all cases are dealt with consistently and fairly.
- 4.2 An Equality Impact Assessment was carried out in February 2011.

Corporate objectives and priorities for change

- 5.1 This proposal will support the following Corporate objective of **making us proud of our neighbourhoods**.