
REPORT TO:	Housing and Community Services Committee	AGENDA ITEM: 14
DATE OF MEETING:	9th June 2005	CATEGORY: Delegated
REPORT FROM:	Director of Community Services	OPEN
MEMBERS' CONTACT POINT:	Bob Ledger (ext 5775)	DOC:
SUBJECT:	Recharging for Tenants Repairs	REF:
WARD(S) AFFECTED:	All	TERMS OF REFERENCE:

1. Purpose of Report

1.1 To set the levels for recharging tenants repairs undertaken through the Council.

2. Recommendations

2.1 Apply a minimum charge of £75.00, including administration charges and VAT, to repairs which are the responsibility of the tenant but are undertaken through the Council.

2.2 Charge for such repairs above this level at cost plus 15% administration charge and VAT.

3. Detail

3.1 The Council's current Repair Policy (adopted by Committee in June 2004) outlines those repairs which are the responsibility of tenants. These are primarily work required as a result of neglect or damage by the tenant. It is important that the Council has an efficient system for implementing and processing what are known as 'rechargeable repairs' to prevent unnecessary charges falling on other tenants via the HRA.

3.2 Having recently reviewed the procedure for the recovery of debt for such work and the desire to issue clearer guidance to tenants it has become clear that there needs to be a minimum rate for such work to dissuade tenants from using this service unreasonably and to ensure the Council recovers the cost of any materials, contractor, inspection, travel, administration and VAT. A reasonable level would seem to be £75.00.

3.3 Where work is above this level the Council should recover monies at cost plus 15% administration charge and VAT to prevent improper losses falling on the HRA.

4. Financial Implications

- 4.1 Housing rechargeable debts can be extremely difficult to collect. However, as highlighted in the report, all reasonable steps should be taken to recover this debt rather than increase the burden of these costs on other housing tenants. In principle, these costs should be recovered.
- 4.2 In addition, these costs should be recovered as speedily as possible. Bills for rechargeable work should be sent out within 10 working days to help facilitate their payment. Subsequently, any decisions on instigating legal action or proceeding with write-offs should ideally be made within four months maximum. This is to ensure that the income from rechargeables does not inordinately mask the available resources for housing repairs

5. Corporate Implications

- 5.1 Raising rechargeable repairs has implications for the Finance Service which takes on the role of chasing the debt if the charge is not initially paid. The Head of Finance is supportive of the move to a minimum charge of £75 for rechargeable works.

6. Community Implications

- 6.1 The above conditions will be applied equally to all tenants, but arrangements are in place to stagger payments or apply other flexibility according to the personal circumstances of the individual tenant.
- 6.2 A revised leaflet, standard costings for the information of tenants and training of staff will be launched following the decision of Committee.