



London Borough of Hammersmith & Fulham

# Cabinet

23 APRIL 2012

**CABINET MEMBER  
FOR HOUSING**

*Councillor Andrew  
Johnson*

**INTRODUCTION OF A RECHARGES POLICY  
FOR PROPERTY SERVICES**

**Wards:  
All**

This policy draws together various existing arrangements already identified in Tenancy Agreement, Tenants Handbook and aspects of the Repairs Policy with a view to introducing recharging of tenants where they fail to meet their obligations with regard to keeping and leaving their residence in a reasonable condition.

**CONTRIBUTORS**

AD Asset Management  
and Property Services  
EDFCG  
ADLDS

**Recommendation:**

**That approval is given to implement the Recharges Policy for Repairs as in the Appendix to this report.**

<b>HAS A EIA BEEN COMPLETED? YES</b>
<b>HAS THE REPORT CONTENT BEEN RISK ASSESSED? N/A</b>

## **1. BACKGROUND**

- 1.1. The proposed Recharges Policy covers the subject of recharging for repairs and other reasons associated with housing management. The policy is intended to apply to all Council tenants of whatever legal tenure they occupy their premises at the time when any damage to the Council's property is caused.
- 1.2. The principle of recharging is one of fairness, and is directed at ensuring that, where possible, the Council does not incur unnecessary costs where tenants do not discharge their responsibilities for occupying and leaving their residences in a reasonable manner.
- 1.3. This policy draws together various existing arrangements already identified in Tenancy Agreement, Tenants Handbook and aspects of the Repairs Policy under which some recharges are already being made.
- 1.4. The Policy is intended to provide clear guidance on recharging the cost of repairs undertaken by the Council (acting as the landlord) where:
  - The repair is caused by neglect, wilful/malicious damage, misuse and accident
  - Repairs for Tenant's Obligations following Notice to Vacate/Possession Order
  - Repairs for Tenant's Obligations in connection with Mutual Exchanges
  - Repairs for Tenant's Obligations in connection with Transfers
  - Work that falls within Tenant's Obligations, arising from other property and estate inspections

## **2. CONSULTATION WITH RESIDENTS**

- 2.1 To ensure that the proposed Policy balanced the Council's interests as a landlord against those of residents who will be directly affected by the Policy, during the process of drafting the policy, officers sought to consult with a Focus Group of residents' representatives (further to a meeting that took place on 17 May 2011) and internal consultation with HRD departments whereupon the proposed Policy was presented for discussion at Borough Forum.
- 2.2 This consultation process is believed to be in compliance with all statutory requirements placed upon the Council due to the housing management nature of this Policy.
- 2.3 Following discussion at Borough Forum on 27 October 2011, it was agreed that the Recharges Policy should be presented to Cabinet for formal approval.

### **3. APPEALS PROCESS**

- 3.1 The Policy includes an internal appeals process to ensure that residents are able to challenge why a Rechargeable Repair (i.e. works where the Council are entitled to seek to recover a recharge fee – see Section 1.1. of the Policy for examples) has been levied against them should they believe it to be unjustified. Section 6.6. of the Policy sets out the proposed route of appealing a decision to levy a Rechargeable Repair.

### **4. RISK MANAGEMENT**

- 4.1. This policy addresses a significant item of risk as identified by the Audit Commission, and will prevent unnecessary expenditure from the HRA.

### **5. EQUALITY IMPLICATIONS**

- 5.1 An Equalities Impact Assessment (“EIA”) was prepared in accordance with the Council’s Single Equality Scheme and included in the papers disclosed to the Residents’ Focus Group. No issues arose further to that consultation so the same EIA was then further disclosed to the Borough Forum. Again no issues arose further to consultation at Borough Forum so as to require a fresh EIA to be carried out.

### **6. COMMENTS OF THE EXECUTIVE DIRECTOR OF FINANCE AND CORPORATE GOVERNANCE**

- 6.1. The Housing Revenue Account currently bears the cost of repairs resulting from tenants not meeting their agreed obligations. The most significant of these costs relates to rubbish removal from voids and this is estimated to cost £250k per annum.
- 6.2. This policy is intended primarily to act as a deterrent and therefore, it is expected that there will be a reduction in costs from the date of implementation, though it is not possible to quantify the amount of the reduction at this early stage.
- 6.3. Departmental finance officers will assess any proposed recharges to tenants in terms of recoverability, and raise the invoices where agreed. Again, the level of income is not quantifiable at this stage.
- 6.4. There will be no increase in administrative costs as the processes involved are already being carried out within the department and any increase in the volume of invoices raised is expected to have a negligible impact on existing capacity.

- 6.5. Overall, it is expected that there will be some financial benefit to the Housing Revenue Account as a result of this policy, and forecast levels of income and expenditure will be included in the Council's monthly monitoring reports from implementation, with a view to establishing a budget once the financial implications become clear.

**7. COMMENTS OF THE ASSISTANT DIRECTOR (LEGAL AND DEMOCRATIC SERVICES)**

- 7.1. The comments of Legal Services have been implemented within the body of this Report.

**LOCAL GOVERNMENT ACT 2000**  
**LIST OF BACKGROUND PAPERS**

<b>No.</b>	<b>Description of Background Papers</b>	<b>Name/Ext of holder of file/copy</b>	<b>Department/ Location</b>
1.	Equalities Impact Analysis – Assessment Document	NAME: Ian Watts EXT: 1848	
2.	Consultation Recharge/Discretionary Focus Group Minutes – 17 <sup>th</sup> May 2011	NAME: Ian Watts EXT: 1848	
3.	Draft Recharges Policy	NAME: Ian Watts EXT: 1848	
<b>CONTACT OFFICER:</b>		<b>NAME: Ian Watts</b> <b>EXT: 1848</b>	