

RECHARGE POLICY

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External References	None
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Comments	
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RECHARGE POLICY

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1. POLICY STATEMENT

- 1.1 It is the policy of Blackwood to take all appropriate action to recover costs incurred which are the responsibility of current or former tenants. The Recharge Policy details when and how Blackwood Homes will recover these costs.
- 1.2 The Recharge Policy incorporates an escalation procedure, similar to the one used for Former Tenant Rent Arrears, including the use of a Debt Collection Agency where necessary.
- 1.3 The escalation procedure, which suggests the action to take at a particular stage, has been written into UH (the Housing Management database) to allow the system to assist with managing the procedure.
- 1.4 All information regarding the debt will be stored on UH, and all invoices, statements, letters and reports will be available from UH.
- 1.5 The Policy provides guidelines on writing off a recharge.

2. PRINCIPLES AND SCOPE OF THE POLICY

- 2.1 This Recharge Policy covers any type of rechargeable cost to be recovered from a current or former tenant.
- 2.2 Ownership of the Recharge Policy lies with the Housing Services & Assets Director.
- 2.3 Ownership of the recharge procedure lies with each of the Regional teams, with the Housing Services Team Leaders being responsible for the implementation of the procedure.
- 2.4 Day-to-day responsibility for pursuing recharges lies with the Housing Officers, with support from the Housing Assistants.
- 2.5 To ensure a consistent approach in the implementation of the Policy, any proposed changes must be discussed and agreed by all 3 Regional Teams.

3. KEY OPERATIONAL FRAMEWORK

3.1 Identification of a Recharge

- 3.1.1 Examples of recharges which will be pursued under this Policy include rechargeable repairs, legal costs, estate costs and bank charges. Identification of a recharge and early notification to the customer is essential. Responsibility for this depends on the type of the recharge.
- 3.1.2 **Rechargeable Repairs** – when a tenant reports a repair which the Property Assistant identifies as being chargeable, the Property Assistant must advise the tenant of this at the time of first notification. If the repair is a fixed cost item, the Property Assistant should advise the tenant of the cost.
- 3.1.3 Once the repair has been raised, the Property Assistant should send the tenant a letter confirming that a chargeable repair has been raised. A copy of the letter should be passed to the Housing Officer.
- 3.1.4 If a rechargeable repair is identified at a Void Inspection, the Housing Assistant should notify the former tenant and provide the cost if known.
- 3.1.5 The Property Assistants should monitor **all** Tenant Liability work to ensure it is complete, and that the tenant (or Estate Officer for void work) is satisfied with the work.
- 3.1.6 When the work is satisfactorily complete, and if the repair is a fixed cost item, the Property Assistant should advise the Housing Officer.
- 3.1.7 If the repair work is not a fixed cost item, the Property Assistant should monitor for receipt of the invoice.
- 3.1.8 When the invoice has been received and authorised, the Property Assistant should advise the Housing Officer.
- 3.1.9 **Estate Management and Legal Costs** – when the Housing Officer identifies a rechargeable Estate Management or Legal cost, the Housing Officer must advise the tenant of this immediately.
- 3.1.10 The Housing Officer should send the tenant a letter confirming that a recharge has been incurred and the amount involved.
- 3.1.11 The Housing Officer should monitor for receipt and authorisation of the invoice.
- 3.1.12 **Bank Charges** – when the Finance Officer identifies that a bank charge has been incurred, the Finance Officer should advise the Housing Officer who will notify the tenant as in 3.1.10 above.

3.2 Recovery of Debt

- 3.2.1 Debts will be pursued initially by a Housing Officer, following the agreed escalation procedure below.
- 3.2.2 A Debt Collection Agency will be used as described below but will not be employed if the debt is less than £25 as this cannot be justified financially.

- 3.2.3 **Current Tenants** - following confirmation of the recharge cost, an invoice will be sent to the tenant along with a letter outlining the tenants obligation and if appropriate the possibility of paying in instalments
- 3.2.4 If there is no payment or contact within 7 days and the debt is more than £500, a home visit will take place.
- 3.2.5 If the debt is less than £500 the tenant will be sent a reminder and given another 7 days to make contact.
- 3.2.6 If the tenant does not make payment or contact the Housing Officer after that time a home visit may be arranged or the debt may be passed to a Debt Collection Agency.
- 3.2.7 **Former Tenants** – following confirmation of the recharge cost, an invoice will be sent to the former tenant's forwarding address.
- 3.2.8 If there is no forwarding address, the debt will be passed to the Debt Collection Agency, or written off.
- 3.2.9 If there is no payment or contact within 7 days the former tenant will be sent a reminder and given another 7 days to make contact.
- 3.2.10 If the tenant does not make payment or contact the Housing Officer after that time the debt will be passed to a Debt Collection Agency, or written off.

3.3 Disputed Costs

- 3.3.1 The recharge procedure incorporates action to be taken when current or former tenants dispute the costs of the recharge.
- 3.3.2 If a recharge is disputed, the Housing Officer should ask the appropriate staff member to investigate e.g. the Estate Officer for repairs.
- 3.3.3 The person who is investigating should advise the Housing Officer of their decision. The decision should be authorised by the Housing Services Team Leader.
- 3.3.4 Any changes to the recharge amount should be made in UH.

3.4 Write-Off Levels

- 3.4.1 **Current Tenants** – unrecovered debts of less than £25 can be allowed to accumulate in the sundry debtor account and when reaching £25 will be passed to a Debt Collection Agency if necessary.
- 3.4.2 **Former Tenants** – unrecovered debts of less than £25 should be written off.

3.5 Write-Off Procedure

- 3.5.1 If a Housing Officer believes that a debt cannot be recovered because a tenant has died and left no accessible estate, or becomes bankrupt or insolvent, or the Debt Collection Agency advises so, the details should be passed to the appropriate Housing Services Team Leader.

3.5.2 If the Housing Services Team Leader is satisfied that the debt is irrecoverable, the Housing Services Team Leader should prepare a Board Report for write-offs every 6 months. When approved, the Housing Services Team Leader should advise the Finance Department of the write-off, advising where the debt is to be written-off to.

3.6 Monitoring

3.6.1 All recharges raised and debts paid or outstanding will be monitored.

3.6.2 Reports have been developed in UH to allow the Housing Services Team Leaders to monitor recharges. The reports will detail:

- Where the UH "Suggested Action" was not taken
- Where repayment agreements have failed
- All live repayment agreements
- A 3 month history of live recharge cases, showing where the recharge has reduced or increased since the previous month
- All accounts in dispute
- Debts which have been passed to the Debt Collection Agency, showing the balance passed, total payments received since the case was passed, and the balance outstanding.

3.7 Reporting

3.7.1 Recharges will be included in the Performance Framework. Reports.

3.7.2 Information on Recharges will be reported to the Housing and Care Committee as part of the Performance Framework.

3.8 Review

3.8.1 This Policy and Procedure will be reviewed after one year and thereafter every three years.