

Recharges Recovery Policy

Date submitted to Board:	25th July 2017
Policy to take effect from:	1st August 2017
To be reviewed:	1st August 2020
Version No.	1.1

Introduction

This policy describes the circumstances under which we will seek to recharge a customer, along with the actions we will take and the members of staff responsible.

Aims of the Policy

- 1) To demonstrate that causing deliberate or reckless damage to our properties is unacceptable.
- 2) To help protect our assets – in particular, our properties and our finances.
- 3) To maximise the income receivable and minimise the potential bad debt owed to us.
- 4) To identify circumstances where pursuing a recharge is neither appropriate nor financially worthwhile.
- 5) To comply with our legal and regulatory obligations.

Definition

The term "Recharge" is defined here as:

Any reasonable monetary cost we incur that is caused by the wilful act or neglect of, or accidental damage by, a customer or member of their household.

In most cases a recharge will denote a rechargeable *repair*, however, examples of all recharges include:

- 1) Repairs or other remedial work we have carried out or need to carry out, to make good any damage caused to our properties, and which has been caused by the tenant, member of their household or visitor. This will include health & safety repairs (see below) and void repairs.
- 2) Repairs we need to carry out which are listed as the tenant's responsibility in the tenancy agreement or, in the case of leaseholders, in the terms of the lease.
- 3) An insurance claim excess, where we make an insurance claim for repairing/replacing fixtures and fittings, or making good the structure and exterior of the property, and where the damage arose through the tenant's (or their visitor's) wilful act or neglect.

We will not normally recharge a tenant for incidents of criminal damage involving domestic violence, where the perpetrator is no longer residing at the property and a crime reference number is provided.

Preventative Methods

We will have in place a number of measures to help prevent recharges from occurring. These include but are not limited to:

- Identifying risk factors when people apply for housing with us.
- Seeking references from applicants' previous landlords as part of our allocation process.
- Pre-tenancy training or coaching.

- Excluding or suspending a applicant from registration when there is evidence that their behaviour has been unacceptable and serious enough to make them unsuitable as a tenant. It will only be applied in circumstances that are not unlawfully discriminatory.
- Declining transfer/exchange applications (or approving them on condition of making good damage / clearing recharge debt).
- Using Assured Shorthold tenancies and closely monitoring and managing these during the **probationary** period.
- Explaining clearly to tenants, at the start of the tenancy, their obligations under the tenancy agreement (e.g. responsibility to arrange a gain-entry and lock-change, if they lose their keys).
- Conducting 'pre-termination visits' where a tenant has given notice to end the tenancy. Staff will identify any potential recharges to the tenant and advise them to leave the premises in satisfactory condition when they move out.

Evidence Gathering

Examples of evidence we will use include:

- Photographs taken at e.g. a 'pre-term' home visit, void inspection or other site visit (we may enclose copies of photographs with invoices/other enforcement letters sent to the customer later).
- Witness statements completed by our staff, contractors or any third parties (e.g. emergency services).
- Completed void inspection reports containing any relevant evidence to support our intention to recharge (the void inspection sheet will contain a section requesting the inspector to record any such evidence).
- A completed 'Arrangement to Pay' form. We will encourage the customer to complete such a form where they are unable to clear the debt immediately and wish to pay by instalments. This form will also contain an undertaking that the customer accepts responsibility for the recharge.

Support-Based Methods

These may include:

- Offering advice to tenants on e.g. seeking permission for carrying out alterations.
- Signposting tenants, who need to dispose of old furniture or large amounts of rubbish, to low-cost refuse collection providers (e.g. Stoke-on-Trent City Council).
- Where there is evidence that a tenant is unable to make good any damage (e.g. clear rubbish) due to old age and/or poor mental or physical health, we will work with them to access low-cost refuse collection providers. We will also endeavour to involve any appropriate support groups or agencies, to help prevent a situation from recurring.
- Where appropriate, using incentives to promote positive behaviour.

Health & Safety Repairs

For rechargeable repairs or remedial work of an 'emergency' priority (i.e. any fault which threatens harm to persons or property) we may carry out the relevant work initially and recharge the tenant responsible later. Examples here include:

- Gaining entry to a property to attend to a serious water leak, caused by e.g. a faulty washing machine.
- Boarding-up a broken window or external door (N.B. where due to a criminal incident and caused by a person unknown/uninvited to the property, the customer will not be recharged if they provide a crime reference number from the Police).
- Attending to major blockages to drains or toilets caused by a customer's wilful act or neglect, or accidental damage.
- Making safe a gas or electrical fault caused by a customer's wilful act or neglect, or accidental damage.
- Removal of offensive (including racist) graffiti.

Enforcement Methods

Within one calendar month of a recharge being identified, we will issue the relevant customer with an invoice for the outstanding cost. This will be enclosed with a covering letter detailing the recharge and giving the tenant 21 days to either:

- Clear the balance in full.
- Contact the **Housing** Team to make an arrangement to pay the balance by regular instalments. The terms of the instalments must be agreed by us and based on the customer's current financial circumstances. If not already completed we will encourage the customer to complete an 'Arrangement to Pay' form.
- Appeal against our decision to issue the recharge. Appeals should be made in writing, processed in line with our Appeals Procedure and considered by the line manager of the member of staff who issued the invoice and covering letter.

Other steps we may take are to:

- Serve a Notice of Seeking Possession (citing the relevant tenancy breach/es), which may be followed by an application to Court to repossess the property.
- Serve a Notice Requiring Possession ('Section 21 Notice' – for Assured Shorthold Tenants only).
- Where appropriate, report any damage caused to the Police as a criminal matter. If criminal charges are brought, this may result in us being awarded compensation and any convictions could assist us in taking legal action to **recover any debt and/or** repossess the property.
- Refuse any application made by a tenant for a transfer or mutual exchange until such time that the debt is cleared and problem is resolved.

Debt Recovery Process

If the customer does not reply satisfactorily within the 21 day deadline, we will take one or more of the following actions depending on the severity of the matter and the level of financial loss to EPIC:

- Use informal correspondence, e.g. text messages, telephone calls, home visits, to instruct the tenant to clear or make a suitable arrangement to clear the debt.
- Warn the customer in writing that we will seek to recover the debt through the Small Claims Court and that non-payment will also put the tenancy at risk.
- Proceed to issue a money claim through the Small Claims Court, where the debt is over £100 and we believe there is a realistic chance of a County Court Judgement being awarded.
- Pursue further legal action where appropriate.
- Refer any outstanding balance to a debt collection agency, if it is economical to do so.

(The [Recharges Recovery Procedure](#) contains further details on the relevant actions to be taken)

Equality and Diversity Statement

We will make information available to customers in a variety of formats on request. **If we know that a debtor has a disability and we intend taking court action to repossess the property, we will complete a justification exercise to help ensure we comply with the Equality Act 2010.**

Monitoring and Reporting

All recharge cases, details of actions taken and monies recovered will be recorded through our IT systems. Performance data on recharges will be reported on, at least, an annual basis.

Write-off of recharge debts

We will write-off any recharge debts that are deemed to be unrecoverable. In line with how we deal with rent arrears debts, write-off requests must be approved by the Management Team. The relevant balances will remain on a customer's file for future reference.

Responsibilities

- Any member of staff or repairs contractor can provide witness statements or take photographs, as evidence of a potential rechargeable repair.
- The Housing Team will:
 - Initiate the recharge process.
 - Follow the Support-Based and Enforcement Methods mentioned above.
 - Gather any evidence.
 - Instruct the Finance Team to generate a recharge invoice.
 - Send out the recharge invoice.
 - Make a suitable arrangement with a customer to clear a recharge debt.
 - Monitor payments made to clear recharge debts (with the Finance Team).
 - Follow the Debt Recovery Process mentioned above.
 - Forward cases for write-off, where appropriate.
- The Asset Manager will:
 - Assist in gathering any evidence.
- The Finance Team will:
 - Generate the recharge invoice.
 - Input each recharge case onto the relevant spreadsheet or database.
 - Monitor payments made to clear recharge debts (with the Income Services Team).
- The Housing Team Leader will:
 - Carry out spot checks of actions taken
 - Where appropriate, liaise with the Housing Officers in following Support-Based and/or Enforcement Methods.
 - Consider a customer's appeal against our decision to recharge.

Review Mechanism

This Policy will be reviewed every three years.

Related Policies & Procedures

- Recharges Recovery Procedure
- Repairs & Maintenance Policy
- Tenancy Breach Policy
- Shorthold Tenancy Conversions & Extensions Procedure
- Appeals Procedure