

ELHA POLICY

Date Issued	29 November 2012
Last Reviewed	March 2021
Department	Asset Management
Title	Chargeable Repair Service
Objective	To minimise the loss of income through the prompt and effective recovery of chargeable repair costs.
Responsible	Director of Asset Management
Next Review Date	March 2026

1.0 Policy

- 1.1 We will carry out Chargeable Repairs with the express agreement of the tenant or owner, provided there are no unpaid chargeable invoices outstanding. The only exceptions to this will be when an emergency repair is necessary because of damage caused by the tenant.
- 1.2 We reserve the right to insist that the specification of a major component meets our current standard. This is to ensure that the quality of major components, such as the replacement of external doors is not compromised.
- 1.3 We will charge owners for the costs incurred by us, on their behalf, such as building insurance, maintenance / mutual repairs and landscape and gardening services. An administration fee will be included in the overall fee to contribute towards our administration costs and arranging of the services.
- 1.4 We will take reasonable steps to recover costs where we have carried out work. We will consider the potential costs in time and money to the Association when trying to recover costs.
- 1.5 We will not charge mutual owners for shared costs without their written agreement, except for emergency repairs carried out to safeguard the occupants and protect the property.
- 1.6 We will encourage mutual owners to carry out repair work when we are the minority owner and will pay our share of the agreed costs. However, we will consider a request from the majority owners to provide a cost for the work and may carry out the work on their behalf provided we have the written agreement of all owners (see also paragraphs 3.4 and 3.5).

- 1.7 We will cancel owners' building insurance where payment is not received within the specified time. If this happens, we will notify their mortgage lender, (if known) that the building insurance is not paid, putting the property at risk.
- 1.8 We will consider charging tenants for abortive emergency call-outs.
- 1.9 When a Chargeable Repair is to be charged at the end of a tenancy, we will make every effort to contact the former tenant to make a suitable arrangement to clear the debt.
- 1.10 All outstanding former tenant and owner debts will normally be referred to a debt collection agency apart from :
- When a repayment arrangement has been agreed and is being maintained
 - Where debts are considered uneconomical to pursue or there are exceptional circumstances, for example, those debts arising from a tenant's death, if we know that there is no estate (such cases will be considered for write off)
- 1.11 The following repairs are recognised as those that we would generally charge for as they are the tenant's responsibility. This list is not exhaustive:
- Boarding up windows and doors
 - Reglazing windows
 - Forcing entry
 - Forcing entry and changing the locks
 - Changing locks
 - Replacing internal doors
 - Replacing bathroom fittings (wash hand basins, WC's and cisterns)
 - General damage by the tenant
- 1.12 Chargeable Repair costs are reviewed on an annual basis and any increases will be applied from 1 April the following year.

2.0 Current Tenant Chargeable Repairs Procedure

- 2.1 When a repair is classed as a Chargeable Repair, we will advise the tenant:
- That the repair is their responsibility
 - The cost of doing the work on their behalf
 - That they can arrange the repair themselves using their own contractor
 - That we reserve the right to replace major components to our minimum current standard
- 2.2 We will tell the tenant of the total cost of the repair, (which includes VAT) however, if the Chargeable Repair is not a common repair for which we hold

costs, we will advise the tenant that we will obtain a cost, and revert back to them within an agreed timescale before proceeding any further.

- 2.3 We will raise a works order when the tenant has accepted the price quoted and will write to them, confirming the details of the repair ordered, the agreed cost and the contractor who will carry out the work.
- 2.4 We will maintain a record of all issues relating to Chargeable Repairs. This will include a record of phone calls, contact with contractors and any variations to the works order.
- 2.5 Our Finance Department will send an invoice to the tenant within 30 days of receiving notification from the contractor that the work is complete.
- 2.6 Tenants must pay invoices within 14 days of receipt. If the invoice is not paid within this time we will send a reminder letter giving them a further 14 days to pay. We will consider sending the debt to a debt collection agency if the invoice remains unpaid.
- 2.7 Whilst an invoice remains unpaid, we will not instruct any further Chargeable Repairs on behalf of the tenant until the invoice is paid or a suitable repayment arrangement has been agreed and is being maintained. However, both the Asset Manager and Housing Manager have discretion to order further Chargeable Repairs in exceptional circumstances. For example, if a Chargeable Repair is required to make the property wind and watertight or for health and safety reasons.
- 2.8 We will always attempt to recover Chargeable Repair debts and will expect tenants to make arrangements to clear them if they want a transfer or an exchange. If a tenant has both rent and Chargeable Repair debts, then the recovery of the rent arrears will take first priority, though this may depend on an individual tenants circumstances and we may seek to have a repayment arrangement in place for both debts
- 2.9 If a tenant terminates their tenancy and the invoice remains unpaid, we will remind them that they must clear the debt before the termination date, failing which the debt may be passed to a debt collection agency for recovery

3.0 Mutual Repairs Procedure

- 3.1 We will prepare and price a detailed schedule of works for common repairs involving mutual owners.
- 3.2 Once the price has been established, we will inform each mutual owner, in writing of:
 - Details of the proposed repair
 - The estimated cost of the work, and their share of the costs

- That they can arrange the repair themselves using their own contractor.
- 3.3 We will ask all owners to confirm that they agree to the work being carried out and that they accept responsibility to pay their share of the cost inclusive of VAT.
- 3.4 If a majority of owners agree that the work should go ahead, we will inform all of the owners that the majority has agreed and will proceed with the work.
- 3.5 If a majority of owners agree that the work should go ahead, but we are a minority owner, we will decide whether we want to proceed with the work or advise the majority owners to organise the repair themselves. An example of when we may do the work is if there is a health and safety issue.
- 3.6 If we proceed with work, we will instruct the contractor to carry out the repair according to the schedule of work at the agreed price.
- 3.7 The majority procedure described at 3.4 will apply to the repair of common parts only and does not include improvements such as door entry systems. Improvements require the consent of all owners.
- 3.8 Before the work starts, we will provide each owner with:
- The contractors name, and contact details
 - The date when work will begin
 - The length of time the work will take
- 3.9 We will keep owners fully informed, in writing, of any changes that affect the progress or cost of the work.
- 3.10 We will maintain a record of all issues relating to the repair. This will include:
- A record of phone calls and correspondence
 - Contact with the contractor
 - Contact with owners
 - Variations to the work
- 3.11 The Finance Department will send an invoice to each owner within 30 days of receiving notification that the work is completed.
- 3.12 Invoices must be paid within 14 days of receipt. If the invoice is not paid, the Finance Department will send a reminder letter giving the owner a further 14 days to pay. If the invoice is still not paid, or a suitable arrangement to pay has been agreed and not maintained, we will send a final letter giving the owner a further 7 days before passing the debt to a debt collection agency for recovery.

4.0 Correspondence

- 4.1 All correspondence to mutual owners, including invoices, must be addressed using the owner's name. We will make every effort to establish the name of the owner prior to the repair being instructed.

5.0 Former Tenant Chargeable Repairs

- 5.1 Former tenant Chargeable Repairs and other tenancy debts, such as rent arrears, legal expenses, Sheriff Officer Fees and Benefit Overpayments will be pursued, however the amount of staff time expended will be kept to a minimum.
- 5.2 Where the tenant's whereabouts are known or we have an email address, we will write to the former tenant warning that if they do not clear the debt or enter into a suitable repayment arrangement the debt will be passed to a debt collection agency for recovery.
- 5.3 If the tenants' whereabouts are unknown, a debt collection agency, will be instructed to pursue the debt.
- 5.4 We may take legal action to recover former tenancy or other tenancy debts and will take a pragmatic approach to this taking into account the costs that will be incurred as a result of such action, the best chances of collection and minimising debt write off.
- 5.5 If a tenant has died and we know that an estate has been left, we will contact the Executor to attempt to recover the debt. If there is no Executor, we will consider writing off the debt.

6.0 Monitoring and Performance

- 6.1 The Audit & Assurance Committee will monitor performance through the submission of quarterly reports, and will be asked to approve any write offs deemed to be required.
- 6.2 Detailed procedures are provided to staff to ensure that this policy is operated effectively.

7.0 Review of Policy

- 7.1 The Director of Asset Management will ensure that this policy is reviewed every five years and that any amendments required are submitted to the Audit & Assurance-Committee for approval.

