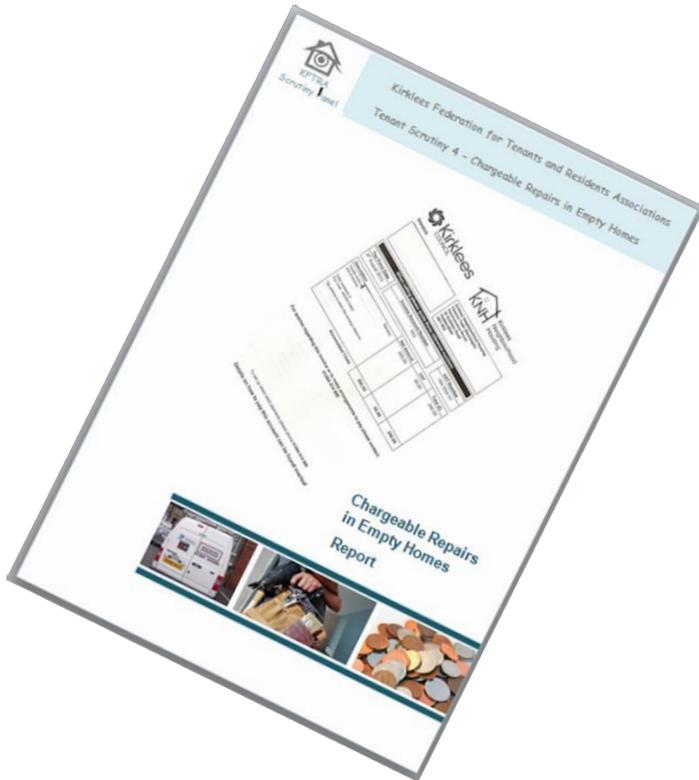




SUMMARY REPORT

For presentation to KNH Delivery Committee 25 February 2014



The fourth investigation for Tenant Scrutiny was selected as the review of chargeable repairs for tenants who are moving out of KNH properties. This topic was chosen due to;

- Concerns raised from an elected member;
- Being a top issue raised in the KNH customer satisfaction survey;
- Anecdotal information from the KFTRA Overview and Scrutiny Board;
- An article in the local press;
- Being highlighted as an area for review by KNH officers.

Terms of Reference

To examine whether the existing procedures used by KNH around chargeable repairs provide value for money and are fair and consistent.



Tenant Scrutiny 4 - Chargeable Repairs in Empty Homes

The objectives for the task were to;

- Review the existing system around chargeable repairs;
- Explore if there are alternative approaches that could provide improved value for money for both tenants and KNH. *Better value for money to be expressed in terms of cost, quality and investment;*
- If possible, find a way of reducing the repairs that are chargeable to tenants and making systems clearer as regards tenants' own improvements;
- Examine whether there is an existing appeals process and if this is fair;
- Investigate whether there is consistency across the KNH neighbourhoods;
- Suggest improvements to systems used as applicable;
- Reflect the views of tenants.

The investigation included;

- A series of meetings to discuss information and evidence from a range of individuals and organisations.
- Site visits with KNH and Building Services officers;
- Case studies with aggrieved tenants;
- Benchmarking with other housing providers;
- Examination of documentation; and a
- LEAN review exercise.

Chargeable repairs are issued to tenants when damage has been caused that is the fault of the tenant. Chargeable repairs can be either 'responsive' i.e. the tenant is still living in the property, or can be issued when a tenant is leaving their home. The latter category was formerly known as 'rechargeable repairs'.

Chargeable repairs in empty homes are those that must be carried out to bring that home up to a lettable standard, if the repairs have been caused by;

- wilful damage;
- unsuitable tenants' improvements;
- not the normal wear and tear of living in the property.



KEY FINDINGS

Priority Ranking	Recommendation	Terms of Reference	
A	That the Kirklees Council policy regarding chargeable repairs be communicated to KNH officers and tenant representatives as appropriate and be included in any relevant documentation.	Value for Money	√
		Fair and Consistent	√
<p>The Evidence:</p> <ul style="list-style-type: none"> ➤ Although a procedure was produced for examination by the Panel, it appeared that a clear policy document did not exist in respect of chargeable repairs. 			

Priority Ranking	Recommendation	Terms of Reference	
B	That the chargeable repairs procedure is reviewed as soon as possible and is improved to reflect fully the system of charging for repairs when tenants leave their homes. The procedure should relate to the new policy document and include any changes made as a result of this investigation.	Value for Money	√
		Fair and Consistent	√
<p>The Evidence:</p> <ul style="list-style-type: none"> ➤ It was noted that the objectives of the Chargeable repairs procedure had not been reviewed as anticipated in April 2013. This may have been to allow for the internal audit review and this tenant scrutiny investigation. ➤ Panel members noted that the chargeable repairs procedure was muddled in part as it included information related to chargeable repairs in both voids and occupied homes. The document was found to write about quotations for work and time for tenants to find their own contractor. The document does not make it clear if this applies purely to responsive repairs or if it includes repairs at the termination of a tenancy. ➤ The Panel felt that the obligation of deciding whether repairs are chargeable should lie firmly with Kirklees Neighbourhood Housing, particularly as housing officers will have a better understanding of the personal circumstances of the tenants. ➤ There were differing views on whether or not carpets and laminate flooring would be removed, officers saying that on the whole it would be (unless there were 			



concrete floors beneath). Whereas the procedure states that it will be left for the incoming tenant if in good condition. The Panel feels that this needs to be more specific so that all KNH and BS officers are working to the same standard.

- It was suggested by the Panel that tenants who are in arrears should be offered access to the handyman service or Building Services at a subsidised rate to bring the property back up to a lettable standard. This way the home will be ready to re-let as soon as the occupant leaves and KNH will still receive rent throughout the repairs phase.
- The Panel supported the view of the internal audit team that the income collection system may not be economically viable (although the audit had concluded that the system may deliver against other objectives such as discouraging property damage). The Panel did not agree that the system was currently successful in discouraging property damage and felt that the procedure contained no system for the monitoring of spending on the collation and collection of chargeable repairs.

Priority Ranking	Recommendation	Terms of Reference	
C	That KNH makes the disputes/appeals process clearer for tenants receiving an invoice i.e. both the right of appeal and the information required to dispute the charges.	Value for Money	
		Fair and Consistent	√

The Evidence:

- The invoices sent to tenants in respect of chargeable repairs do not mention the way in which a tenant can dispute the charges.
- There is also no information in the 'Care and Repair of your home' leaflet nor on the KNH website.
- It is not certain whether the customer services staff working in Kirklees Direct would know to advise a tenant of their right of appeal should they ring to query an invoice.
- Two out of three of the case study respondents did not know about the appeals process. Panel members thought that a clearer disputes system would have helped to make the case study respondents less aggrieved.
- Other housing providers are more transparent about their appeals process such as South Tyneside Homes who have posted their Rechargeable Repairs policy on their website, including the appeals process and a form for tenants to use to submit an appeal.
- Less than 9% of tenants dispute the chargeable repairs that they receive an invoice for.



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Priority Ranking	Recommendation	Terms of Reference	
D	That KNH considers a pilot of providing training courses for new tenants in becoming a 'good tenant', whether transferring or being a new to KNH properties. The training could be delivered jointly between KNH officers and tenant representatives and could be a requirement during the probationary period of the tenancy (first six months).	Value for Money	√
		Fair and Consistent	√

The Evidence:

- The Panel were concerned that the new procedure does not appear to be working as it should i.e. chargeable repairs are rising and recoveries are falling.
- The Panel was of the opinion that chargeable repairs on voids do not act as a deterrent to other tenants from causing damage to their own homes.
- The Panel noted that tenants who will occupy the newly refurbished Southgate flats have been trained in the need to be a 'good tenant'. A similar approach could be extended to all new tenants, requiring them to attend a training course within the first six months of their tenancy to learn how to be a good tenant, before they can apply for a secure tenancy.
- This training could be delivered jointly between KNH officers and tenant representatives, so fostering a good joint partnership approach to improving tenancies and ensuring that tenant improvements meet KNH standards.
- It would also replace the less urgent parts of the sign up procedure and so save some time for housing officers at this stage.

Priority Ranking	Recommendation	Terms of Reference	
E	That KNH should re-evaluate the current arrangements for voids inspections, in particular taking on board cost and officer time (smarter working), and the efficacy and accuracy of information.	Value for Money	√
		Fair and Consistent	√



The Evidence:

- It was noted at this time that access to homes before tenants move out was only gained in 30% of cases. Housing officers also found that they were unable to inspect for every likely chargeable repair due to furniture and possessions still being in situ.
- With the pilot of the dedicated pre-termination officer approach the successful entry rate had increased to around 90%. It is thought that the majority of the other 10% would be high cost voids and would not benefit from a pre-termination visit. The pilot will be reviewed in March 2014 at which time the approach can be assessed for its success particularly in increasing the likelihood of repairs charges being recouped.
- *Successful* pre-termination visits were thought to be useful in giving tenants a chance to put things right before they leave their home, thus saving the tenant from chargeable repairs and reducing void times.
- The Panel felt that any pre-termination visits should help to make tenants facing chargeable repairs aware of the help schemes that are available to them e.g. volunteer gardeners, loan scheme for gardening equipment, handy person service. Visiting officers should also advise people on charities that will recycle unwanted furniture, fixtures and fittings.
- There was some concern that during the site visits; venetian blinds had been removed from one/two properties, which in the opinion of the Panel were in good condition.
- The pre-termination form was in need of redesign and the Panel would like the new version to include space for;
 - Agreeing the fittings to be left such as curtains/blinds/floor coverings.
 - Recording the likely chargeable repairs that have been discussed with the tenant.
 - Discussion of any damp and condensation problems.
 - Advice on keeping a record of the reference number for removal of any rubbish ordered by the tenant.
- Panel members were concerned that there was always the opportunity for tenants to damage their homes after the visit had taken place.
- The Panel considered that it may be more cost effective to cease from carrying out pre-termination visits and instead to send information out to tenants on terminating their tenancies.
- Previously there has been an arrangement where the empty homes team are co-



located, consisting of both KNH and Building Services staff. This arrangement was said to have worked well but ended approximately six years ago.

- The Panel considered that it would be better for a housing officer to carry out the first visit to a void either alone or with a Building services officer. The housing officer would have prior knowledge of the history of the tenant and the property i.e. whether the tenant suffers from a health condition, what alterations had been made to the property before the tenant moved in. This approach would cut down on the appeals and disputes received by the investment team.

Priority Ranking	Recommendation	Terms of Reference	
F	That KNH should provide a breakdown of tenant improvement works that require prior approval, and publicise this via the website and any other suitable means.	Value for Money	√
		Fair and Consistent	√

The Evidence:

- The KNH website, Tenancy Agreement and the 'Your right to improve your home' leaflet all include information for tenants on the need for prior approval of works. However there is no clear list of what works require approval e.g. do you need approval to put up a shelf or install a satellite dish?
- The KNH circular for tenants 'Door to Door' in December 2010 did detail the process and listed the improvements needing prior approval, but there has been no information circulated more recently.
- The Panel felt that the wording of the information should also be 'toned down' to make it sound more helpful and for KNH and tenants to 'work together' to get the standards right.

Priority Ranking	Recommendation	Terms of Reference	
G	That KNH investigates the feasibility of a scheme whereby tenants wanting to carry out improvements to their homes can use Building Services operatives/KNH handyman/approved contractors perhaps at a subsidised rate.	Value for Money	√
		Fair and Consistent	√



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The Evidence:

- Many problems occur when tenants carry out improvement works that are not up to the standard required by KNH e.g. unearthed light fittings, open-fronted fires.
- The Panel felt that a scheme could be developed whereby the tenant was able to employ a Building Services operative or approved contractor when carrying out improvement works to their homes. This would ensure that the work was completed to an acceptable standard to avoid chargeables at the end of their tenancy.
- This scheme could be subsidised to offer a cheaper service to tenants and in the long run, would benefit KNH by reducing the amount of chargeable repairs and also the amount of unpaid invoices resulting from these. This could be as an expansion of the handyman service.
- This idea would also make tenant improvements seem more like 'team work' rather than the 'us and them' approach we now have with the system of requesting permission.

Priority Ranking	Recommendation	Terms of Reference	
H	That KNH carries out an analysis of the repairs under £100 that are completed by Building Services and the financial information relating to this, with a view to reconsidering the policy on not charging for this category of repairs.	Value for Money	√
		Fair and Consistent	√

The Evidence:

- Repairs under £100 are not recharged to the ex-tenant (as it is thought that the cost of invoicing outweighs the benefit of a recharge).
- Records are not kept of these repairs other than on the regular electronic payment requests received from Building Services for multiple properties.
- This may not be a big issue if there are only a few being carried out. However, if they are numerous, this may amount to a significant amount of money i.e. if the voids without chargeable repairs between April and September 2013 all had repairs under £100, this would cost KNH £126K for that period equivalent to £252K annually.



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Priority Ranking	Recommendation	Terms of Reference	
I	That KNH considers the disputes/appeals process for chargeable repairs and the option for the tenant to have their case heard by an independent body early in the appeals procedure e.g. the designated tenants' panel.	Value for Money	√
		Fair and Consistent	√

The Evidence:

- Disputes are handled informally at first with the Investment Team.
- If the tenant wishes to continue with their dispute they must submit their supporting evidence in writing to the Investment Team. There are then three levels of appeal to; The Investment Team Manager; Head of Service; and the Housing Ombudsman.
- The disputes process is very officer- led. It was the view of the Panel that an alternative appeal stage could be introduced, perhaps at the first point of appeal, whereby the tenant can choose to have their case heard by the designated tenants' panel. This would hopefully save some time for those officers and managers involved in appeals and may present a fairer system for tenants.

Priority Ranking	Recommendation	Terms of Reference	
J	That all forms and documents used by KNH are dated and headed to ensure effective version control.	Value for Money	√
		Fair and Consistent	√

The Evidence:

- The Panel were concerned that many of the forms used by housing officers during the chargeable repairs process were not dated or 'version controlled' e.g. the lettable standard, sustainable tenancies documents, and accompanied viewing form. This increases the risk that all officers are not working to the same guidance and procedures.



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Priority Ranking	Recommendation	Terms of Reference	
K	That KNH should explore if arrangements could be put in place to prevent tenants from being invoiced twice in respect of the same property i.e. from both the area housing office and the Investment team.	Value for Money	√
		Fair and Consistent	√
<p>The Evidence:</p> <ul style="list-style-type: none"> ➤ The Panel were of the view that it was confusing for tenants to receive invoices both from the area housing office for clearances and from the Investment team for repairs. It would be better to have one system for issuing joint invoices. 			

Priority Ranking	Recommendation	Terms of Reference	
L	That KNH reviews its policy as regards deceased tenants with a view to allowing bereaved families a longer time to clear the vacant home.	Value for Money	√
		Fair and Consistent	√
<p>The Evidence:</p> <ul style="list-style-type: none"> ➤ It was noted that the current policy requires the relatives of deceased tenants to either clear the empty home within a week (up to the following Sunday) or to pay the rent until it is cleared. ➤ The Panel felt that this does not offer much compassion to bereaved relatives and may cause real problems in cases where there is to be an inquest or the relatives live away. The Panel thought that there should be at the very least a discretionary fund for this purpose, if not a complete review of the policy, to allow more time for relatives during these difficult times. 			



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Priority Ranking	Recommendation	Terms of Reference	
M	That KNH should explore a recycling option for fittings removed by tenants whilst carrying out improvements i.e. fires and doors that cannot be stored. This should include the option of buying fittings back from the tenant.	Value for Money	√
		Fair and Consistent	√
<p>The Evidence:</p> <ul style="list-style-type: none"> ➤ Tenants are requested to restore original fixtures and fittings on leaving their home if improvements have been made. ➤ However there is no facility available for the storage of such items and tenants would not always have the space available in their homes to store items such as doors and gas fires. ➤ For longer tenancies, any replaced fires, doors etc. would be outdated. ➤ The Panel thought it would be better if there was a scheme whereby KNH could buy the items back (if they could be used in another home) ensuring less wastage. 			

Priority Ranking	Recommendation	Terms of Reference	
N	That KNH ensures that tenants are made aware of the need to remove any gas appliances that they have fitted at the end of their tenancy. This should be made clear both at the time that approval is given for the fire to be fitted and also when the tenant gives notice of terminating their tenancy.	Value for Money	√
		Fair and Consistent	√
<p>The Evidence:</p> <ul style="list-style-type: none"> ➤ In the case studies, tenants were not aware of the policy on replacing gas fires i.e. that the fire and original documentation should be kept for re-fitting when the tenant leaves. ➤ The booklet issued when notice of termination of tenancy is received does not include this advice on gas fires. 			



Priority Ranking	Recommendation	Terms of Reference	
O	That contingencies are put in place for the times that the Investment Team surveyor is on leave so reducing the impact on length of voids and quality of work. (This may be achieved by making permanent the current arrangement of having two surveyors operating across Kirklees)	Value for Money	√
		Fair and Consistent	√

The Evidence:

- At the commencement of this investigation there was only one officer in the Investment team carrying out surveys on high cost voids, quality checks and dealing with disputes (up to 20 at any one time) for void repairs.
- In Summer 2013, another officer began to assist with the workload by splitting the role between North and South Kirklees.
- Panel members were concerned over the original workload of the Investment Team officer and would like the arrangement of two officers overseeing Building Services repairs work to continue.
- In particular the Panel was concerned that there should be cover for officers when on leave to ensure that voids are not delayed and that quality checks do not suffer as a result of such leave.

The full report includes further detail of each recommendation and the related evidence, incorporating 'Panel Views' sections for ease of reading. The summary table on pages 29-31 of the report references the recommendations to the relevant text.