

**D'EYNSFORD**



**D'EYNSFORD TENANT MANAGEMENT  
ORGANISATION CIC**

**RECHARGE POLICY**

**APPROVED BY THE BOARD ON THE**

**9<sup>th</sup> March 2020**

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## **Introduction**

The TMO aims to be a buffer between Southwark Council and the residents that is approachable, compassionate and above all fair. However the TMO cannot pay for costs that are not within its budget or that are the responsibility of the resident. This policy sets out how the TMO will handle cases where a recharge is applicable.

## **Background**

The TMO operates under a contract with Southwark Council known as a Modular Management Agreement (MMA). The MMA sets out the services the TMO must provide and the responsibilities the TMO must assume. In respect of these services and responsibilities, the TMO is paid an annual sum with which to achieve all of these. It is necessary for the TMO to remain strictly within the scope of the MMA when providing services to residents in order that the money provided is sufficient.

It is necessary for the TMO to reclaim expenditure for any repairs which the TMO undertakes which are outside the scope of the MMA and which are therefore not the responsibility of the TMO. In some cases the TMO may have a responsibility to undertake tasks to safeguard residents, property or ensure the safety of others. In these cases although the initial actions are the responsibility of the TMO to perform, the costs are not for the TMO to bear.

## **Approach**

When recharging residents the TMO will:

- Where possible advise the resident in advance and obtain their agreement.
- Aim to minimise the costs for the resident.
- Invoice the resident as quickly as possible after the costs are finalised.
- Give residents an opportunity to avoid a recharge where they can complete the works themselves or engage their own contractor to undertake the works in a timely fashion.
- Apply this policy to all rechargeable situations in a uniform fashion

In cases where there is doubt over the responsibility for a repair, residents will be invited to use a trusted contractor to do the repair. If the post-repair report from such a trusted contractor demonstrates that the repair was in fact the TMO's responsibility, the resident will be reimbursed if they have already paid the contractor. Otherwise the contractor will be invited to invoice the TMO instead.

## **Appeals**

Residents who believe that a recharge against them has been claimed in error, have the right to put their point of view to the Finance Subcommittee. The Finance Subcommittee will hear and assess the situation and put their recommendations to the TMO Board for a decision. Only the Board can authorise a recharge invoice be revised or cancelled.

It is not possible to foresee all potential situations, however, where any of the following criteria have been met it is unlikely that a recharge invoice would be amended or cancelled;

- The repairs and costs incurred are outside the scope of the MMA
- The repairs and costs were unavoidable due to a need to act e.g. as a result of a safety matter, securing a property, emergency access etc.
- The repairs are necessitated by the actions or neglect of the resident, their guests and visitors.
- The repairs and costs are the result of a breach of lease or tenancy.
- The TMO has removed material discarded in communal areas of the building or estate which has been traced back to a resident or property.

## **Fees, Calculations & Payments**

Recharge invoices will be subject to a £25 minimum and the addition of VAT at the prevailing standard rate.

The TMO will seek to use in-house resources wherever possible to keep costs as low as possible, if these efforts fail, necessitating an external contractor to complete the works, the resident will only be charged for the contractor's cost and TMO administration fees (if any apply). Recharge invoices for minor repairs agreed to by residents in advance will be calculated based on repair costs alone. In all other cases the TMO will use a calculated hourly cost for each member of staff involved in the matter in any way whatsoever. These hourly rates will be based on the total cost to the business of that employee and will be charged in increments of a quarter hour (rounded up). Disbursements, materials and external contractor fees will be charged for at cost.

Recharge invoices will normally be payable within 30 days of issue unless agreed otherwise. The TMO will seek to agree a practical payment plan for larger sums and where requiring a lump sum would lead to financial hardship. Elective repairs may require part or full prepayment based on estimated costs with a balancing payment falling due upon final costs being calculated.

Payments via credit/debit card, cash, cheque, bank transfer or Direct Debit will be accepted and receipts will be issued.

Unpaid invoices will, where other reasonable efforts (such as establishing a payment plan) fail to elicit payment, be pursued via the small claims court in the interests of fairness.

## **Further Action**

Where a recharge invoice is issued in respect of any of the following:

- The removal of materials discarded on the estate or within communal areas (commonly called 'fly-tipping')
- Wilful or negligent damage to a residence
- Wilful, accidental or negligent damage to any part of the estate

The TMO reserves the right to separately provide supporting evidence to Southwark Council who have the power to pursue a criminal prosecution and/or proceedings for breach of lease/tenancy. The TMO will have no control over how Southwark Council pursues matters once reported and will continue to pursue payment of the recharge invoice as a separate matter.

## RECHARGE AGREEMENT



I have been advised that the repair detailed below may be rechargeable to myself, as it may fall outside the scope of the D'Eynsford TMO's Modular Management Agreement (MMA).

I understand that \_\_\_\_\_ will make a decision about whether the repair detailed below is within the MMA will be made on \_\_\_\_\_ and that I will be informed of this decision within 24 hours of it being made.

I understand that if \_\_\_\_\_ determines that the repair is outside the scope of the MMA I will need to pay for the repair.

I understand that a pre-payment may be required before works commence, with the balance due on completion.

Appeals:

I understand that I may challenge the decision of \_\_\_\_\_ via the TMO Finance Committee, who will make a recommendation to the TMO Governing Board. The TMO Governing Board will make a final decision on the matter.

I confirm that I have been made aware of:

- The TMO's Recharge Policy
- The option to challenge the recharge via the TMO's Finance Subcommittee
- The intention of the TMO to pursue payment via the Small Claims Court should I fail to pay within the agreed term, or according to the agreed payment plan, without advising the TMO and renegotiating agreeable terms.

I have been provided with the non-binding cost estimate, given below, as a courtesy based on the stated scope of works.

I understand that I will be provided with a non-binding estimate of costs before repairs are undertaken.

I understand and acknowledge that the TMO is unable to provide me with a non-binding estimate of costs for the repairs due to the reason(s) stated below.

Resident Name		
Property Number		BW / DPC / EM / KC / KR / MDC
Scope of works		
Estimated Cost	£	

Reason for Unavailable Estimate	
Payment Terms	
Staff Member	
Signed	
Dated	____/____/2021

## TMO Recharge Policy

### Recharge Calculation Guidance (Internal Use Only)

#### Responsive Repairs (agreed to in advance)

If the works are carried out using TMO staff alone the invoice shall comprise:

Caretaker hourly rate x hours (in 1/4 hr increments)

VAT

Subject to £25 + VAT minimum

If the works involve an external contractor, either initially or after a fail attempt by staff, the invoice shall comprise:

Contractors' invoice cost ex VAT

VAT

Subject to £25 + VAT minimum

#### Responsive Repairs (wilful damage/tenancy breach/long term neglect)

The repair costs as above will apply and in addition:

TMO staff hourly rate x hours (in 1/4 hr increments)

This will apply for all staff tending to the matter.

#### Fly Tipping and Damage

Contractors' invoice cost ex VAT

TMO Staff hourly rate x hours (in 1/4 hr increments) (all involved)

Where applicable all replacement costs associated with damage

VAT

Subject to £25 + VAT minimum