

Bolsover District Council

Meeting of the Executive on 15th April 2024

Rent Arrears Software Contract Extension

Report of the Portfolio Holder for Housing

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| Classification | This report is public. |
| Contact Officer | Victoria Dawson, Assistant Director Housing Management and Enforcement |

PURPOSE/SUMMARY OF REPORT

The report seeks approval to exercise the option to extend the contract with Mobyssoft for RentSense for a further 2 years.

REPORT DETAILS

1. Background

- 1.1 The Pandemic had an enormous impact on rent recovery. There was a national ban on evictions, a Council self-imposed ban on rent arrears recovery for 12 months followed by a period of light touch recovery. This, against the backdrop of the cost-of-living crisis and rising energy costs, meant when rent recovery was recommenced tenants struggled to maintain payments and arrears had significantly increased.
- 1.2 In 2022, the Council undertook a procurement exercise to seek a computer software system that would link into the Capita Open Housing Management System. This was to enhance income collection operations.
- 1.3 In May 2022, a contract was awarded to Mobyssoft for its RentSense software. This was a 2-year fixed contract with an option to extend for one plus one years.
- 1.4 RentSense eliminates the guesswork for income management assistants. It provides actions which will be most effective from a financial perspective. RentSense has streamlined the Income Management Assistants time, resulting in more time to engage with tenants effectively.
- 1.5 From the contract being awarded to Mobyssoft there was a period of implementing and testing and the system went live in January 2023.

In the first 12 months we have seen some positive results:

- 485 households recommended for contact are no longer recommended – therefore the interventions taken by the team are making a difference.
- 47% of those recommended for contact in January 2023 have moved out of debt or have had positive movement in that their arrears have been reduced.
- 251 of those who were in arrears in December 2022, are no longer in arrears.
- £290,734 is the value of the arrears deduction since January 2023.

2. Details of Proposal or Information

- 2.1 Prior to RentSense the Income Management Assistants had no way of prioritising cases and would need to manually review every arrears case on their patch and decide who to contact. They would not be able to reach every case and would not have time to do any other aspect of their role.
- 2.2 The RentSense system prioritises rent arrears cases for Income Management Officers, using analytical technology they can predict which cases will generate the most positive result. We monitor compliance with the work tray it generates. The system reduces the number of cases which require contact, and this frees up officer time. They have been able to commence targeted former tenancy arrears recovery as well as home visits to build up rapport with tenants and signpost for benefits advice and assistance where possible.
- 2.3 The original contract has an option to extend for a further 2 years, and the proposal is to do this to harness the success we have had to date and look to enhance rent recovery and thereby strengthen the Housing Revenue Account.
- 2.4 The Contract can be extended by serving a notice to extend and no further procurement is necessary.
- 2.5 The cost of the contract is linked to RPI, as at the current rate this would be £53,931.23 for 2024/25 and £56,573.86 for 2025/26. This can be met from within existing budgets because we have reduced the budget for the contribution to the impairment provision to allow for this cost. (This is the provision we build up to pay for debts that have to be written off). This reduction has been done on the proviso that this software makes such a financial difference in reducing arrears that the contribution is not required. If the arrears aren't reduced sufficiently, and we still have to make a contribution to the impairment provision, this will result in an overspend on the HRA.

3. Reasons for Recommendation

- 3.1 Mobyssoft were identified as the best supplier through a tender procurement exercise, the existing contract allows for an option to extend for a further 2 years. This system is ensuring that we achieve a better rent collection rate, and we are

seeing a reduction in arrears. To extend the contract for a further 2 years will ensure we continue to reduce arrears and improve the Housing Revenue Account.

4 Alternative Options and Reasons for Rejection

- 4.1 To not extend the contract would mean we lose the benefit of the RentSense system. Income Management Officers would need to look through all the Council tenant's rent accounts and individually decide how to prioritise recovery, this is time consuming and unnecessary and doesn't allow for other activities to be undertaken. The analytics of Rent Sense reduce the amount of rent arrears cases each officer has to work on thereby ensuring they can carry out other duties within their role.

RECOMMENDATION(S)

Executive approves the contract extension of 2 years to Mobyssoft for the RentSense software.

Approved by Councillor Sandra Peake, Portfolio Holder for Housing

IMPLICATIONS.

Finance and Risk: Yes No

Details: The contract extension can be resourced from within existing budgets by reducing the budget for making contributions to the impairment provision, to protect the income of the HRA in the case of arrears being written off. Should this software not make a sufficient difference to arrears to allow us to reduce the contribution, this would then result in an overspend on the HRA.

On behalf of the Section 151 Officer

Legal (including Data Protection): Yes No

Details: Mobyssoft were identified as the best supplier through a tender procurement exercise, the existing contract allows for an option to extend for a further 2 years, without the need for any further procurement.

On behalf of the Solicitor to the Council

Environment: Yes No

Please identify (if applicable) how this proposal/report will help the Authority meet its carbon neutral target or enhance the environment.

Details:

Staffing: Yes No

Details: There are no staffing implications arising from this report.

On behalf of the Head of Paid Service

DECISION INFORMATION

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| <p>Is the decision a Key Decision? A Key Decision is an executive decision which has a significant impact on two or more District wards, or which results in income or expenditure to the Council above the following thresholds:</p> <p>Revenue - £75,000 <input checked="" type="checkbox"/> Capital - £150,000 <input type="checkbox"/> <input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i></p> | <p>Yes</p> |
| <p>Is the decision subject to Call-In? <i>(Only Key Decisions are subject to Call-In)</i></p> | <p>Yes</p> |

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| <p>District Wards Significantly Affected</p> | <p>N/A</p> |
| <p>Consultation: Leader / Deputy Leader <input type="checkbox"/> Executive <input type="checkbox"/> SLT <input type="checkbox"/> Relevant Service Manager <input type="checkbox"/> Members <input type="checkbox"/> Public <input type="checkbox"/> Other <input type="checkbox"/></p> | <p>Details:</p> |

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| <p>Links to Council Ambition: Customers, Economy, and Environment.</p> |
| <p>Our Customers - Improving the customer experience. Our Economy - Ensuring financial sustainability. Our Housing – Being a good landlord.</p> |

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| <p>DOCUMENT INFORMATION</p> |
| <p>Title</p> |
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| <p>Background Papers</p> |
| <p><i>(These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Executive, you must provide copies of the background papers).</i></p> |
| <p>N/A</p> |