



RECORD OF DELEGATED DECISION (OFFICER)

1. Decision Reference No.	CEX361
2. Name/Title of Officer	Michelle Howard Director for Housing and Communities (Deputy Chief Executive)
3. Email address of Officer	mhoward@melton.gov.uk
4. Title / Subject Matter:	Arrears Recovery Capacity (Housing)
5. Type of Decision:	Public
6. Key Decision?	Yes (Total expenditure over £50k and impact across the Borough).
7. Decision Taken: 1. To appoint, via suitably qualified agency staff, to the following posts for a period of 12 months: a. Senior Housing Officer, Rents (23 hours per week) b. Team Assistant, Rents (Full Time) 2. To fund the required temporary staff from the HRA Regeneration and Development Reserve.	
8. Reasons for Decision: Performance is improving through the changes made to date. However, to accelerate progress to address the high level of current tenant rent arrears, ensuring effective and proportionate recovery action. This must support the council's financial position and sustainability, whilst also ensuring that tenants are supported including to access onward support as required. The additional resources proposed will also enable a greater focus on performance. An action plan is also in place to further enhance and accelerate the work already underway to address collection performance concerns. Significant additional resources are required to improve, at pace, rent collection performance.	
9. Authority / Legal Power: In July 2022, Council approved the following recommendation:	

Council delegates authority to the Director for Housing and Communities in consultation with the Director for Corporate services and Portfolio Holder for Housing and Landlord Services to access the HRA Development and Regeneration Reserve to progress projects and activities in support of the HRA up to a limit of £100k per project and up to a maximum of £500k in any one year subject to the financial viability of the HRA Business plan not being undermined.

This proposal is in line with this delegation.

10. Background Papers attached?

Job Descriptions for posts proposed

11. Alternative options available / rejected:

1. To outsource the challenge of reducing rent arrears to a third party. After discussions with a potential third-party supplier this was rejected, as there is no mature market for outsourcing the entire rent and arrears collection service. Third-party support will be considered for aspects of the process if additional capacity is required due to the volume of cases being processed, such as Legal activity relating to County Court possession proceedings submission and presentation.
2. To adopt a different approach. This was rejected after extensive consideration of options by the experienced team of officers within the Council, with expert external support. This approach was considered to be the most proportionate way to achieve the desired improvement in performance in the most cost-effective way.
3. To do nothing. This was rejected, as rent arrears would continue to increase causing financial loss to the Council thus reducing the funding for services to tenants and causing reputational damage. This would also negatively impact the Council's regulatory compliance.

12. Implications:

Legal	<p>In July 2022, Council approved the following recommendation:</p> <p>Council delegates authority to the Director for Housing and Communities in consultation with the Director for Corporate services and Portfolio Holder for Housing and Landlord Services to access the HRA Development and Regeneration Reserve to progress projects and activities in support of the HRA up to a limit of £100k per project and up to a maximum of £500k in any one year subject to the financial viability of the HRA Business plan not being undermined.</p> <p>This proposal is in line with this delegation.</p> <p>The Council has the power to enter into contracts in order discharge its functions (Local Government Act 1972, s111 and the Local Government (contract) Act 1997, s1). The Local Government Act 1972 requires the Council to have regulations for how it enters into contracts.</p>
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	<p>In addition to complying with all relevant UK and EU legislation every contract entered into on behalf of the Council must also comply with the Council's Contract Procedure Rules and the Council's Financial Regulations</p> <p>[Legal Approval – 05 November 2023]</p>	
Finance	<p>Rental income is the main source of revenue for the HRA, and not maximising rental collection will significantly impact on the Council's ability to deliver both its statutory obligations and wider improvement and modernisation plans as a competent and effective landlord. Current performance represents a key risk for the Council's Housing Revenue Account.</p> <p>To appoint agency staff to fulfil this requirement for a period of 12 months, will cost a maximum of £92,000:</p> <p>Temp. Admin officer capacity: £40k</p> <p>Temp. Senior Income officer: £52k</p> <p>By using the delegated authority outlined, the Council has already accessed £279,295 in 23/24. This leaves a balance of £220,705 that can be accessed in the current financial year. There is pressure on the headroom within the HRA business plan forecasts but as this is a one-off cost is considered viable in the context of focusing on income collection and debt recovery. Performance must be closely monitored.</p> <p>[Finance Approval – 02 November 2023]</p>	
HR	<p>The proposed posts are addition to the approved establishment. As a specialist advisor providing a service to the Council through an agency they will be classed as employed for the purpose of tax and national insurance and paid through the agency PAYE. Agency Worker Regulations will apply including equal treatment after the 12-week qualifying period.</p> <p>The Council must consider how it achieves stable and resilient income management arrangements within the approved establishment after the period of this intervention.</p> <p>There are no other HR implications as a result of this decision.</p> <p>[HR & Communications Approval – 03 November 2023]</p>	

13. APPROVAL/SIGN OFF:

Signature of Decision Maker with authority to sign:	Email approval received Michelle Howard Director for Housing and Communities (Deputy Chief Executive)
Consultation with:	Email approval received Councillor Pip Allnatt Leader and Portfolio Holder for Housing and Landlord Services Email approval received Assistant Director for Resources (S151 Officer)
Date:	10 November 2023