


<b>Report to:</b>	Sutton Shareholdings Board	<b>Date:</b>	8 November 2016
<b>Report title:</b>	Contracting out of Homelessness Reviews		
<b>Report from:</b>	Interim Managing Director of Encompass		
<b>Ward/Areas affected:</b>	Borough Wide		
<b>Chair of Committee/Lead Member:</b>	Councillor Simon Wales, Chair of Sutton Shareholdings Board		
<b>Author(s)/Contact Number(s):</b>	Helen Davies, Head of Service - Housing Advice, Information and Assessment 020 8770 5781		
<b>Corporate Plan Priorities:</b>	<ul style="list-style-type: none"> <li>• An Open Council</li> <li>• A Fair Council</li> <li>• A Smart Council</li> </ul>		
<b>Open/Exempt:</b>	Open		
<b>Signed:</b>		<b>Date:</b>	26 October 2016

## 1. Summary

- 1.1 Under Reserved matter 18 in the Shareholder Agreement between the London Borough of Sutton and Encompass LATC Ltd "Appointing any agent or other intermediary to conduct any of Encompass's Business" is a matter that requires the consent of the Shareholdings Board and pursuant to this consent is required for Encompass to continue to contract out the homelessness reviews function to Housing Reviews Ltd.

## 2. Recommendations

The Shareholdings Board is recommended to:

- 2.1 Approve the partial contracting out of the Homelessness Reviews function to Housing Reviews Ltd. The services to be provided by the company being limited to the discharge of the duty under Section 202 Housing Act 1996, as amended, by making and detailing all relevant enquiries, writing review decision letters for approval, and adhering to the requirements as set out in Regulation 8.

## 3. Background

- 3.1 The Allocation of Housing and Homelessness functions were transferred to Encompass LATC Ltd on 1 July 2016, including the homelessness reviews function.

#### **4. Issues**

- 4.1 The Local Authorities (Contracting out of Allocation of Housing and Homelessness Functions) Order 1996 enables Local Authorities to contract out a number of its housing and homelessness functions; section 3 of the same confirms that any decision to do so would require the approval of the Council.
- 4.2 The Council previously had a dedicated officer to carry out these reviews. As part of the restructuring and related budget savings in 2015/16 the post was deleted from the staffing structure. The contracting out of the reviews function provides a cost effective solution to meeting the statutory duty.
- 4.3 The services of Housing Reviews Ltd were procured prior to the transfer of the service to Encompass LATC Ltd. In accordance with the Council's procurement procedures a waiver was obtained as only one supplier to deliver the service could be identified.

#### **5. Options Considered**

- 5.1 To continue with an in house provision.
- 5.2 This option has been discounted due to the financial efficiency of contracting out the service to a third party provider.

#### **6. Impacts and Implications**

##### Financial

- 6.1 The cost of the Housing Reviews service will be contained within the Encompass LATC Ltd budgets

##### Legal

- 6.3 This report provides for the proper legal consents to delegate the reviews function to a third party, Housing Reviews Ltd.
- 6.4 Section 70, Deregulation and Contracting Out Act 1994, allows the Secretary of State to identify by order functions the exercise of which specified public bodies, including local authorities, may contract out. The Local Authorities (Contracting Out of Allocation of Housing and Homelessness Functions) Order 1996 (SI 1996/3205) provides that most functions under Pt.7 may be contracted out and this is the provisions by which functions were delegated to Encompass.
- 6.5 Reserve Matter 18 of the Shareholders Agreement which is dated 1 July 2016 requires that the appointment of any agent or other intermediary to conduct any of Encompass's Business requires the Shareholdings Board's consent and this is the recommendation that is requiring agreement.

## 7. Appendices and Background Documents

<b>Appendix letter</b>	<b>Title</b>
	None

<b>Background documents</b>
None

<b>Audit Trail</b>		
Version	Final	Date: 27 September 2016
<b>Consultation with other officers</b>		
Finance	Yes	Lorraine Thomas
Legal	Yes	Fabiola Hickson
Integrated Impact Assessment required?	No	N/A

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