

Report to:	Sutton Shareholdings Board	Date:	6 December 2017
Report title:	Contracting out of Homelessness Section 202 Reviews		
Report from:	Mary Morrissey, Strategic Director - Environment, Housing and Regeneration		
Ward/Areas affected:	Borough Wide		
Chair of Committee/Lead Member:	Councillor Simon Wales and Councillor Jayne McCoy		
Author(s)/Contact Number(s):	Lorraine Thomas - Managing Director, Encompass Ltd - 020 8770 5794 Helen Davies, Head of Service - Housing Advice, Information and Assessment - 020 8770 5781		
Corporate Plan Priorities:	<ul style="list-style-type: none"> • An Open Council • A Fair Council • A Smart Council 		
Open/Exempt:	Open		
Signed:		Date:	22 November 2017

1. Summary

- 1.1 On 8 November 2016, Sutton Shareholding Board agreed to the partial contracting out of the statutory homelessness reviews function to Housing Reviews Ltd.
- 1.2 Due to the high demand for services from Housing Reviews Ltd by other authorities and their capacity to respond, consent is sought to extend the partial contracting out of reviews to include alternative providers.

2. Recommendations

The Sutton Shareholdings Board is recommended to:

- 2.1 Authorise Housing Reviews Ltd, Sage Ventures Consultancy and RMG to exercise the homelessness review function under section 202 of the Housing Act 1996 on behalf of the Council.
- 2.2 Agree a waiver of the Council's contract standing orders to tender for a reviews service.



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.
- 3.2 The Local Authorities (Contracting Out of Allocation of Housing and Homelessness Functions) Order 1996 enables a Local Authority to contract out a number of its housing and homelessness functions; article 3 of the same confirms that authorisation to exercise such functions has to be given by the Council.
- 3.3 On 8 November 2016, Sutton Shareholding Board agreed to the partial contracting out of the statutory reviews function to Housing Reviews Ltd.

4. Issues

- 4.1 The services of Housing Reviews Ltd were procured to provide a cost effective solution to meeting the statutory duty.
- 4.2 In accordance with the Council's procurement procedures a waiver was obtained as, at that time, only one supplier to deliver the service could be identified.
- 4.3 Since that date 52 homelessness reviews have been referred by Encompass LATC to Housing Reviews Ltd. However, due to an increasing demand from other Councils Housing Reviews have struggled to make timely decisions. The Allocation of Housing and Homelessness (Review Procedures) Regulations 1999 require decisions on reviews to be issued within 8 weeks.
- 4.4 The time taken to make decisions has not met Encompass's expectations and following discussion with Housing Reviews on this issue they have served the Council with one month's notice that they are unable take any further referrals from Encompass. It is therefore with some urgency that the Council must identify an alternative provider.
- 4.5 The contracting out of the reviews function provides a cost effective solution to meeting the statutory duty and since November 2016, recognising the demand for such a service two other providers have established a reviews function.
- 4.6 The first of those companies is RMG, a 'spin out' from Westminster Council and currently provide services to City of Westminster, St Albans City and District Council, Barnet Homes, London Borough of Lambeth, London Borough of Redbridge, London Borough of Enfield.
- 4.7 The second company Sage Ventures Consultancy provide an independent housing review, housing law training and best practices auditing services for local housing authorities, as well as public, and voluntary service providers throughout the United Kingdom.
- 4.8 Accordingly, since only two further services can be identified a waiver of the Council's contract standing orders to tender for services is sought.



- 4.9 The services to be provided 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 the Allocation of Housing and Homelessness (Review Procedures) Regulations 1999.
- 4.10 It should be noted that Encompass continue to work with Housing Reviews to facilitate the progression of current cases and are satisfied with the quality of decisions made on cases.
- 4.11 Given the introduction of the Homelessness Reduction Act 2016 and the increase in the number of stages where an applicant is able to request a review, extending the number of providers the Council engages will enable Encompass LATC to develop a relationship with providers prior to the introduction of the legislation.

5. Options Considered

- 5.1 Consideration has been given to establishing a reviews post within Encompass but it remains cost effective to partially contract out the service.

6. Impacts and Implications

Financial

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

Legal

- 6.2 This report provides for the proper legal authorisation to delegate the function of carrying out homelessness reviews under section 202 of the Housing Act 1996 to a third party.
- 6.3 Section 70 of the 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 a local authority can authorise another person to exercise the majority of its functions under Pt.7 of the Housing Act 1996, including undertaking homelessness reviews under section 202 of the Act.

7. Appendices and Background Documents

Appendix letter	Title
	N/A

Background documents



None

Audit Trail		
Version	Final	Date: 22 November 2017
Consultation with other officers		
Finance	Yes	Neilesh Kakad
Legal	Yes	Sally Novell
Integrated Impact Assessment required?	No	N/A