

Report To:	CABINET	Date:	24 JUNE 2019
Heading:	HOMELESSNESS SHARED SERVICE – DISSOLUTION AND RETURN TO ADC INHOUSE PROVISION		
Portfolio Holder:	PORTFLIO HOLDER FOR HOUSING - COUNCILLOR KIER BARSBY		
Ward/s:	ALL		
Key Decision:	YES		
Subject to Call-In:	YES		

Purpose of Report

To advise Members about the joint intention by both Councils and the rationale behind a proposal to dissolve the shared homelessness service between Mansfield District Council and Ashfield District Council and seek Cabinet approval to do so.

Historically as the creation of the shared service was formally approved by Cabinet, it is also appropriate that Cabinet formally approve its dissolution.

Recommendation(s)

To formally approve the decision to dissolve the homelessness shared service between Mansfield District Council and Ashfield District Council in order to deliver Ashfield's statutory homelessness function wholly in-house.

Reasons for Recommendation(s)

Since 2015 the Council's homelessness service, including housing advice, has been delivered by Mansfield District Council on a shared service basis.

The arrangement worked well. When the shared service was created the Council did not deliver any other frontline housing services as these were delivered by Ashfield Homes Limited (AHL), the Council's former arms-length management organisation (ALMO). Operating this single service in isolation without the direct benefit or support of the wider housing function meant that the required synergies for a robust end to end homelessness service were difficult to achieve. Equally without direct access to its social housing stock the Council were unable to adopt a flexible approach to meeting its obligations in respect of providing temporary accommodation for homeless households, something Mansfield DC as an in-house housing service was equipped to assist with.

In October 2016 the Council's housing stock was brought back in-house, thus meaning it was now in full control of those front line Housing services which closely aligned to the homelessness service. It also meant that the Council could now consider whether Ashfield residents would be better served and better value achieved by a homelessness service delivered directly by the Council itself.

In April 2018 the introduction of the Homelessness Reduction Act 2017 brought changes in how the service was delivered and led to the Council taking significant steps to increase temporary accommodation provision in the District.

In October 2018 the Council, in partnership with Mansfield DC and Newark and Sherwood DC started work on the joint Homelessness Strategy. Now published, the Strategy has a number of common actions but also a number that are Ashfield specific and that need a local solution to a local issue.

It was the combination of these factors that led the Council to the conclusion that it would be more beneficial to deliver the homelessness service in-house. Colleagues at Mansfield DC agreed with the conclusion reached and on 24th January 2019 Rob Mitchell, CEO, wrote to Hayley Barsby, CEO at Mansfield DC to consider mutually dissolving the shared service. With a tacit agreement in place following a period of consultation the intention is for the service to return in-house as from 1st July 2019.

It is important to add that the Council will continue to work very closely with Mansfield DC and other partners in respect of the day to day delivery of the homelessness service and the strategic development of the service. The decision to end the shared service was not made on the basis of poor performance, it was because the circumstances within Ashfield are very different to what they were in 2015 and there is an opportunity for the Council to further develop and improve the service.

Alternative Options Considered

To continue with the shared service. This was not considered as the circumstances now are very different to when the shared service was created, meaning that in-house is the most appropriate delivery model.

Detailed Information

The homeless shared service began in 2015 following consideration from the Shared Service Partnership Board. The decision was a sound one for Ashfield since the majority of the Council's housing services at the time were delivered at 'arm's length' by AHL whereas the homeless service, being a statutory function, remained with the Council.

The Council benefitted from working alongside a knowledgeable and experienced MDC team. The arrangement also gave the Council access to additional units of temporary accommodation, something that was much needed at a time when the Council was heavily dependent upon bed and breakfast type accommodation.

In October 2016 the Council brought the ALMO back in-house and in doing so unlocked the potential to re-join the synergies of homelessness, allocations and stock availability. Homelessness is not a service that operates in isolation, it overlaps with a number of other services, in particular lettings. The effectiveness of the service and the speed with which households in urgent housing need are assisted is optimised when homelessness and lettings are aligned and working as one.

In April, 2018 the Homeless Reduction Act 2017 was introduced. The Act represented a significant change in the way homelessness was both prevented and administered and it was important that

during the implementation phase stability was needed, meaning the shared service should remain in place in order to ensure the consistency and compliance of the service.

Now, 12 months on, the implications of the Act are better understood. One noticeable impact has been the demand for temporary accommodation. The number of households being accommodated has increased as has the average length of stay. This is not an Ashfield phenomenon it has been experienced by Mansfield DC and others. It meant that Mansfield DC needed full use of their own temporary accommodation thus meaning the Council needed to look at its own local provision. In response to this over the course of the last 12 months the Council has doubled its temporary accommodation within the district, rising from 15 to 30 units. The Council has also stopped using Mansfield DC temporary accommodation whilst bed and breakfast type accommodation is now only used in exceptional circumstances.

The new Homelessness Strategy, developed by the Council in partnership with Mansfield DC and Newark and Sherwood DC sets out our vision for the future. The strategy does identify many commonalities across the sub-region and customer base but also highlights the unique issues and challenges within each District. Whilst there is no intention to take an insular approach there is an argument that these issues are best addressed locally, by tapping into the knowledge, skills and resources available.

Following the proposal to dissolve the shared service work was undertaken to ascertain which current MDC employees would be in scope to transfer to the Council in accordance with the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) and affected employees consulted with accordingly.

The number of employees within the shared service increased significantly in readiness for the Homelessness Reduction Act 2017. At the time it was agreed a review of the service including staffing requirements (numbers, roles, etc) would be conducted once the impact of the Act was better understood. Originally planned for summer 2019, the review will be given further consideration following the successful transfer of the service. The Council received additional funding to help implement the requirements of the Act, it is important that the service continues to be delivered in line with the funding available. The total expenditure budget for the homelessness service in 2019/20 is £364,440 funded from the General Fund (£237,820) and Grant Income (£126,620).

Implications

Corporate Plan:

The change will help ensure the Council is maximising opportunities to reduce and prevent homelessness. It will also assist in meeting the Council's aim of delivering good quality, value for money services.

Legal:

Homelessness is a mandatory Council function. Relevant legislation is outlined in the body of the report.

Finance:

Budget Area	Implication
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General Fund – Revenue Budget	The cost of operating the service in house will be funded from the overall available budget of £364,440 described above.
General Fund – Capital Programme	N/A
Housing Revenue Account – Revenue Budget	N/A
Housing Revenue Account – Capital Programme	N/A

Risk:

Risk	Mitigation

Human Resources:

Full consultation has been undertaken with affected staff and adhered to appropriate legislation. HR have been fully involved with the dissolution process.

Equalities:

No equality issues identified.

Other Implications:

N/A

Reason(s) for Urgency

N/A

Reason(s) for Exemption

N/A

Background Papers

N/A

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